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VOL. XVIII. NO. 1109. MADRAS: SUNDAY, JUNE 30, 1957. SIXTEEN PAGES: 20 Naye Paise. (With Colour Supplement)

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TAX ADJUSTMENTS TO COVER PART OF 4.83 CRORE DEFICIT IN MADRAS BUDGET

S.T. Rates Revised, Higher Income-Tax On Agriculture

RELIEF FOR V. Os.

MADRAS, June 29.

Finance Minister C. Subramaniam today announced increases in the ordinary rate of general sales tax on commodities other than foodgrains and in the rate of agricultural income-tax on owners of plantations to cover part of a Rs. 4,83 lakh deficit in the 1957-58 budget. Sales tax on foodgrains, he said, has been reduced.

THE Minister, presenting the budget in the Assembly, also announced Government's decision to enhance from July 1, the dearness allowance of village establishments by Rs. 7 for Karnams, Rs. 5 for headmen and Rs. 4 for village servants.

The budget anticipates a revenue of Rs. 56.49 lakhs on existing taxation and an expenditure of Rs. 61,32 lakhs including Rs. 1,82 lakhs on new schemes to be sanctioned in the course of the year, leaving a deficit of Rs. 4,83 lakhs.

The two new taxation proposals together will bring in an additional revenue of Rs. 1,50 lakhs in this year, reducing the deficit to Rs. 3,33 lakhs.

Defending the taxation proposals, the Minister said the deficit of Rs. 483 lakhs "is large and cannot all be left uncovered at any time, the more so now, with the present upward trend in prices and with a heavy capital programme, for which also we are short of resources."

Under the new proposals, the rate of general sales tax of 3 pies in the rupee or 1-9|16 per cent is raised to 2 per cent in the case of commodities other than foodgrains and is reduced to 1 per cent in the case of foodgrains (paddy, rice, wheat and millets). It is also proposed to exempt books from the levy of sales tax. The net effect of these proposals is expected to be an additional revenue of Rs. 170 lakhs in a full year but only Rs. 125 lakhs will be realised in the rest of the current year.

The Minister explained that the ordinary rate of general sales tax was 3 pies in the rupee or 1-9|16 per cent till Mar. 31 last. With the introduction of the decimal coinage from April 1, this should normally have been rounded to 2 per cent. But the Government had continued the old rate till now, so as to give the matter full consideration.

"Calculation of sales tax in fractions of the percentage is inconvenient and may give unscrupulous dealers an advantage over customers in small transactions," he added.

The increased rate of agricultural income-tax on owners of plantations will be as follows (the present rate is given within brackets): On the first Rs. 1,500 (nil) nil; On the next Rs. 3,500 (5 p.c.) 5 p.c., on the next Rs. 5,000 (10 p.c.) 15 p.c., on the next Rs. 5,000 (15 p.c.) 20 p.c., on the next Rs. 5,000 (20 p.c.) 25 p.c., on the next Rs. 5,000 (25 p.c.) 30 p.c. On the balance of total agricultural income and on the total income of companies (35 p.c.) 45 p.c.

An additional revenue of Rs. 25 lakhs per annum is expected from this source.

The Finance Minister took a little over an hour to read in Tamil his Budget speech.

There was hardly any cheering worth the name throughout the speech although when the Finance Minister departed from the prepared text and made the side comment that there were no fresh taxation measures this year (the two new proposals being merely an alteration of existing

(Continued on Page 5 Column 2)

CONCESSIONS TO PUBLIC SERVANTS

MADRAS, June 29.

Finance Minister Subramaniam announced in his budget speech the following financial concessions to public servants:

Revision of the scale of pay of upper division clerks in the Ministerial Service to provide for larger increments in the earlier stage;

Upward revision of the scale of pay of audit clerks and Inspectors in the Local Fund Audit Department;

Provincialisation of service conditions of workers in the Government Estate;

Enhancement of the pay of night watchmen up to the prevailing market rates;

Provision of recreation facilities to nursing staff in certain Government hospitals;

Supply of warm clothing to village servants on the Hills; and

The upgrading of 22 posts of Assistant Surgeons to a Selection Category.

Call To Suspend Hindi Agitation

NEW DELHI, June 29.

Anand Swami Saraswati, a top ranking Arya Samaj leader, today called for the suspension of the "save Hindi" agitation in the Punjab in response to the Prime Minister's recent letter to Swami Atmanand, leader of the agitation.

Anand Swami Saraswati had courted arrest with the first batch of Satyagrahis led by Swami Atmanand at Chandigarh earlier this month.

Anand Swami said the good cause of Hindi had its proper place in Punjab would have been served better and the prestige of Arya Samaj gone high if the agitation was suspended following the Prime Minister's "historic letter". But, he added, "We have lost a golden opportunity."—PTI.

TEXT OF BUDGET SPEECHES—PAGES 2 & 7

BUDGET AT A GLANCE

(In Lakhs of Rupees)

	1956-57 (Revised Estimates)	1957-58 (Interim budget estimates)	1957-58 (Budget estimates)
Revenue	5,708.05	5,264.63	5,648.63
Expenditure	6,086.97	5,770.84	6,132.19
	—378.92	—506.21	—483.56

The budget deficit of Rs. 483.56 lakhs has been reduced by Rs. 150 lakhs by readjustment of the Sales and Agricultural Income-Taxes.

SPECIAL OFFICER TO SUGGEST ECONOMIES

MADRAS, June 29.

The State Government propose to appoint a special officer of "mature experience and high rank" to make an enquiry into the structure and staff requirements of each department, both at headquarters and in the districts, and make suitable recommendations.

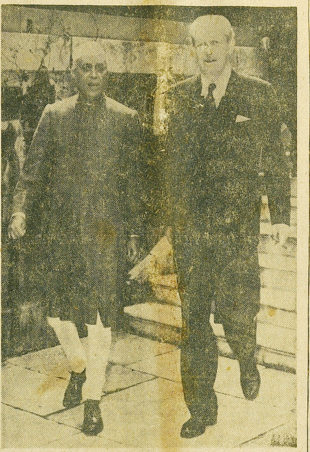
He will also look into the various items of departmental expenditure and contingencies to effect economies wherever possible.

This was disclosed by Mr. C. Subramaniam, Finance Minister, in his budget speech in the Assembly today.

The Minister said the special officer will work under the direction of a Committee of the Cabinet which will pass orders on his recommendations relating to a department, as soon as he submits his report on that department."

"Some savings are bound to result this way, but it is not possible to make a firm estimate now and hence no credit is being taken in the budget for 1957-58," he added.

The Minister mentioned that there had been a large expansion in administrative services during the post-war period necessitated indeed, by the mounting tempo of the development programme. "The Finance Department does scrutinize proposals for additional staff with extreme care, but it is not unlikely that an officer appointed for a special purpose may be continuing in office even after the intensity of the special job has abated. In the interests of economy and efficient administration, this tendency has to be checked by a periodic overhaul of the structure of each department," he said.



Indian Prime Minister Nehru and British Premier Macmillan taking a walk in the garden of No. 10, Downing Street.

Machinery For Private Sector

S.T.C. Negotiates With Soviet Bloc Nations

NEW DELHI, June 29.

The State Trading Corporation is carrying on negotiations with the Soviet Union, East Germany and Czechoslovakia for supply of machinery on a deferred payment basis, an official spokesman said here today.

He added that so far Government had issued import licences for import of capital goods worth Rs. 20 crores on a deferred payment basis for the private sector. Exporters and financial institutions in the U.K., West Germany, France, Switzerland, Sweden and Italy had offered to supply machinery to the private sector for this amount on such a basis.

The spokesman said normally the terms on which other countries were prepared to supply machinery to India on a deferred payment basis was payment spread over five years after shipment. About the rate of interest he said it varied from 2-1|2 per cent charged by the Soviet Union to 8.5 per cent quoted by West Germany.

Asked whether the interest rate quoted by some of the countries like West Germany was not high, the spokesman said "Certainly it is something more than that obtaining here, but it is certainly not high."

The widening Trade Gap

(From Our Special Correspondent)

NEW DELHI, June 29.

THE economic background of foreign exchange shortage which has dictated the new import policy is highlighted by the drop in India's sterling balances—from Rs. 530 crores at the beginning of this year to Rs. 467 crores at present.

The payments deficit over the first half of the year is actually more than is suggested by these figures, since India drew the equivalent of Rs. 95 crores in dollars from the International Monetary Fund during this period.

Imports have exceeded export earnings by a steadily larger margin since the second half of 1955.

The trade gap has widened from Rs. 27 crores during July-December 1955 to Rs. 95 crores in January-June 1956, Rs. 106 crores in July-December 1956 and to Rs. 69 crores in the first quarter of the current year.

That the principal reason for the rise in the value of imports has been on account of the import of capital goods connected with the Second Plan, both in the private and public sectors, is shown by the value of capital goods imports which were licensed—Rs. 49 crores only during July-December 1955, rising to Rs. 166 crores in January-June 1956, Rs. 161 crores in July-December 1956 and Rs. 149 crores during January-June 1957.

The greater part of these imports are in connection with the three steel plants.

The slight fall in the value of capital goods licensed for import during the first half of this year reflects the curb imposed by the requirement of deferred payments, and the licensing of capital goods even on that basis—only if they can help the country to earn or save foreign exchange.

ENOUGH GOODS IN SHOPS, NO NEED FOR PANIC

(From Our Special Correspondent)

NEW DELHI, June 29.

EXPLAINING the likely impact of the new import policy on the common man, official spokesmen today emphasized that much would depend on the consumer himself not resorting to panicky hoarding.

There was no need to fear any serious shortage in respect of such articles as razor blades, pens, watches and radio sets, they stated, because available stocks inclusive of imports were abundant as shown by the well-filled shop counters and by newspaper advertisements.

Imported components of even such luxury items as radios and refrigerators might continue to be licensed for import in the interests of sustaining employment.

On the other hand, consumers should be prepared to put up with the non-availability of imported jams and such like items, if stocks should get exhausted in the coming months.

In respect of drugs and medicines, available supplies are regarded as adequate for the coming months if conservative use is made of them and the new antibiotics and other drugs are not resorted to on the slightest provocation.

Great Opportunity

The spokesmen also emphasized the great opportunity which the restrictions on imports presented to indigenous manufacturers in various fields, who might have found it difficult in the past to expand their output in the face of consumers' prejudice and competition from better quality imports.

Under the new import policy, locally available commodities will not be licensed for import merely for securing superior quality.

The scope for a great expansion of indigenous manufacturing capacity was illustrated by the case of machine tools, whose production in the country attained the war-time peak level only last year.

The value of the outstanding licences in respect of capital goods is estimated at Rs. 300 crores and other goods, finished etc., at Rs. 120 crores.

Credit Arrangements

The UPI adds:—

A spokesman of the Ministry of Commerce and Industry said the present time was difficult from the point of view of foreign exchange. Government were, however, confident that with the efforts they were making they would be able to turn the corner. It was, however, difficult to say how long it would take—may be one or two years. Meanwhile all possible steps for getting help to meet the foreign exchange situation were being taken.

Government, he said, were negotiating with different countries for long-term credit. Machinery valued at Rs. 20 crores had been secured for the private sector on deferred payment basis, and the credit obtained

(Continued On Page 6) Column 1)

M.L.C. Forgoes Whole Salary

MADRAS, June 29.

Dr. M. R. Guruswami Mudaliar, MLC, has addressed a letter to the Secretary of the Legislative Council, stating that, "in view of the present need for austerity and economy and in order to conserve our resources for the implementation of the Second Plan and in response to the request of our Prime Minister," he would relinquish his entire salary and claim for daily allowances with effect from July 1.

U.K. Will Help India Get Over Economic Hurdles

MACMILLAN ASSURES SYMPATHETIC VIEW

(From SUNDER KABADI)

LONDON, June 29.

BRITISH PRIME MINISTER Harold Macmillan has assured Mr. Jawaharlal Nehru that the City of London and the British Treasury will consider most sympathetically any request by India for co-operation and assistance in overcoming her present economic difficulties, according to well-informed sources.

The two statesmen discussed India's economic situation while they drove yesterday to Chequers, the official country residence of the British Prime Minister.

Mr. Macmillan, it seems, is much impressed by India's earnestness in implementing her Second Five-Year Plan and he also seems to be conscious of the Indian leadership's capacity to overcome difficulties.

It is stated that Mr. Macmillan did not raise the question of either Kashmir or canal waters with the Indian Prime Minister.

Success For Nehru

According to the Daily Mail political correspondent the main decision taken by the Commonwealth Prime Ministers yesterday was to challenge the power of China and Russia with a huge economic aid plan for depressed peoples. He writes, "This is for Mr. Nehru a significant success. All Commonwealth countries support his argument that the only way to bear communism in the Middle East and Far East is with food and real help. India herself will benefit. So will Pakistan. There is little doubt that Mr. Nehru will be able to raise short-term loans in London for his Five-Year Plan and in the next ten years receive more economic aid from Britain and other Commonwealth countries. Similar help will be extended to Ghana and Malaya which becomes self-governing on August 31."

False Propaganda

Except Mr. Suhrawardy, Pakistan Prime Minister, and Mr. Feroze Khan Noon, his Foreign Minister, the rest of the visiting Commonwealth Prime Ministers assembled in London are expressing the views only at meetings held in the Cabinet room at 10, Downing Street. Mr. Suhrawardy and his entourage, on the other hand, seem to be convinced that this is a golden opportunity to carry on paper propaganda in London against India. Pakistan correspondents are daily summoned to his hotel and given reports that the Pakistan Prime Minister is meeting with success in his talks over Kashmir as well as the Canal waters dispute.

In pursuance of Mr. Suhrawardy's propaganda campaign, his Secretariat used the Pakistan High Commission's Information Department to put out a statement yesterday that the British Prime Minister summoned a special meeting of his immediate colleagues to discuss the problem of Kashmir and Canal waters with Pakistan's Prime Minister and his deputies. In reality this is far from truth. It is also not true that following his talks over Kashmir and Canal waters with Pakistani "pundits" Mr. Macmillan sought Mr. Nehru's views thereon.

The fact is that before Mr. Suhrawardy arrived in London Pa-

(Continued on Page 6 Column 3)

OGLs To Go

NO IMPORT LICENCEFOR JULY-SEPT.

(From Our Special Correspondent)

NEW DELHI, June 29.

Abolition of Open General Licences, except for the import of fresh foodstuffs from Pakistan, is the outstanding feature of the import policy for the three-month period from July to September, announced here today.

NO licences will be issued to established importers during the next three months, but the validity of licences already granted will be extended by that period on application, and importers will also be allowed to convert outstanding licences from less essential to more essential items.

Importers of machinery will also be able to apply for their quota licences to be validated for the import of spare parts.

The governing objective of the import policy for the next quarter is to conserve foreign exchange by requiring virtually all new import commitments to be licensed, and permitting the import of only capital goods on the basis of the deferred payments scheme which is already in force, and of industrial raw materials and other items in such quantities as may be required for the maintenance of production and employment and for the promotion of exports.

Import policy has been formulated for three months only, instead of a half year as usual, in accordance with the Government's decision simultaneously announced today, to relate import control to the financial year. Licensing periods will run hereafter from April to September and from October to March.

Detailed licensing policy for the period from Oct. 1, 1957 to Mar. 31, 1958, will therefore be announced only towards the close of September. By then, it is hoped, a clearer picture regarding the country's foreign exchange resources will be available.

Adequate Stocks

The decision to abolish OGLs and to issue no fresh licences to established importers is based on Government's conviction that adequate stocks, both of industrial raw materials and of consumer goods, have been built up in the recent past, and that more will come in under the unutilised licences whose period of validity is to be extended. The value of such licences, exclusive of capital goods, is roughly estimated at Rs. 120 to Rs. 130 crores.

Further fresh licences will still be granted on an 'ad hoc' or actual users' basis, for the import of a wide range of industrial raw materials. But there will be a "stricter scrutiny" of applications for the import of such goods.

A spokesman of the Commerce and Industry Ministry expressed the hope that the newspaper industry would offer a sufficiently large voluntary cut in the consumption of newsprint.

The Ministry, he said, was awaiting intimation of the conclusions reached by the Indian and Eastern Newspaper Society, whose committee discussed the subject here yesterday.

During that Government had proposed any specific size of cut such as 15 per cent, he said the Minister for Commerce and Industry had only urged a delegation (representing newspaper publishers) to accept a reduction in newsprint consumption in view of the country's foreign exchange position, leaving it to their "good sense to make the cut as large as possible."

While indigenous industries are expected to improve their own position and serve the country's needs by expanding production of items whose import will be stopped or curtailed, shortages are by no means ruled out.

In addition to appealing to industry and trade to endeavour to ensure equitable distribution of available stocks at reasonable prices, Government have issued orders under the Essential Commodities Act of 1955, bringing certain items newly under the purview of the legislation which authorises the regulation of prices and distribution.

THE PRESS NOTE

The P.T.I. adds: A Press Note issued by the Ministry of Commerce and Industry said: Government does not propose to issue licences to established importers during the next three months because during this period imports are likely to be maintained at a "reasonably high level" in view of the large number and "substantial value" of licences outstanding for the import of plant and machinery, metals, raw materials and many other items.

(The value of unutilised licences for capital goods alone at present is estimated at Rs. 300 crores, and other goods including finished and consumer goods at Rs. 120 crores).

However, the Press Note added, in order to give certain facilities to holders of unutilised or partially utilised licences to plan their purchases and to choose their imports to the best advantage of the country and the consumer, provision had been made to enable established importers to apply for extension of the period of validity of their six monthly licences and to ask, wherever necessary, for the conversion of the outstanding licence from a less essential to a relatively more essential item. Importers of machinery would also be able to apply for their quota licences to be validated for the import of spare parts.

The import policy announced today covers only the next three months, because Government have decided to change over its import policy to the financial year from the calendar year as at present. The licensing periods in future will, therefore, run from October to March and April to September. The change-over is to bring about "better correlation between foreign exchange control and allied fiscal and import control procedures," the Press Note said.

The import policy for the period October to March 1958 will be announced towards the end of September, by which time a clearer picture regarding the foreign exchange resources is expected to be available for imports during the next licensing period.

O.G.L. Licences

The Press Note said that during the next three months it was not proposed to renew the Open General Licences expiring on June 30 except those covering imports of poultry, fish, fresh vegetables and eggs from Pakistan which had been renewed for another three months. This was because importers "are known to have effected, in the recent past, substantial imports of items included in the current O.G.Ls."

The Press Note added: "Importers are being advised to establish their past performance in the basic period

(Continued On Page 6) Column 6)

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Members entitled to attend the [illegible] can appoint proxies to attend the meeting and vote for them. [illegible] proxies need not be members of the Company.

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Notification

IT is hereby notified that the last day for the receipt of the applications for posts of Upper Division Clerks in the Office of the Accountant General, Mysore, Bangalore, is further extended to the 6th July 1957.
(Sd.) B. VENKATARAMAN,
Deputy Accountant General.

PUBLIC NOTICE

NOTICE is hereby given that the firm of Hrsilingam and Co., Coffee Powder Merchants, Bodinayakanur Town, Periakulam Taluk, Madura District, consisting of the following partners, namely M. K. Sivalinga Nadar (1), M. K. Veerabadra Nadar (2), M. K. Marimuthu Nadar (3), and P. Paramasivan Nadar (4), was dissolved on 30/4/1957 and the business is now conducted by P. Paramasivan Nadar, as the sole proprietor from 1/5/1957 onwards. P. Paramasiva Nadar will be applying for a transfer of the quota rights, issued to the old firm, in his favour. Anyone who objects to the said transfer may write to the Chief Controller of Imports, New Delhi, with a copy to the advertiser within 21 days of the appearance of this notice.

SITUATIONS VACANT

RS. 150 CYCLE for introducing Silks & Summer Fabrics amongst your people. Lion Fabrics Ludhiana.

WANTED qualified and experienced person for Sugar Mills in East Bengal to hold the following responsibilities:
1. Chief Engineer.
2. Chief Chemist.
Persons of only first class qualifications and experience desired.
3. Assistant & Shift Engineers.
Experience a minimum 5 years essential.
Apply stating full details and salary expected to Box No. 2267, Indian Express, Madras-2.

WANTED immediately for Vanaspati Factory qualified and experienced (1) Chief Chemist (2) Manager (3) Shift Chemist (4) Mechanical Engineer. Men with successful career will be given preference. Apply Box No. 2276 Sunday Standard, Madras-2.

Tax Adjustments To Cover Budget Defici[t]

MADRAS, June 29: Following in the text of Finance Minister Subramaniam's speech while presenting the budget for 1957-58 in the Madras Assembly.

I rise to present to this House the Budget Estimates for the year 1957-58. Hon'ble Members are aware that a budget for the current year was presented to the old Legislature last December and a vote on Account was taken to cover the expenditure during the first four months of the year. Those estimates have now been revised making allowance for the altered trend of receipts and the additional expenditure we have to incur on new schemes included in the Plan and on the financial concessions we recently sanctioned to low-paid Government servants.

The deficit of about Rs. 5 crores which we anticipated in December should have grown much larger but a rigorous scrutiny has been made of departmental estimates to eliminate non-essential expenditure, with the result that the deficit has been kept within bounds and is now of the same order as in the interim budget.

The one favourable feature which has enabled us to reduce the imbalance in the budget is the fact that 1956-57 was a year of fair seasonal conditions free from cyclone, floods and famine. The south-west monsoon set in in time and brought in an average rainfall of 13.3 inches which was 9 per cent above normal. This monsoon was particularly favourable in the coastal districts of Chingleput, South Arcot and Tanjore, the rainfall being well distributed and more than 30 per cent above the average. The north-east monsoon came in almost in continuation and the average fall of 20.5 inches was again above normal by 16 per cent. The central districts of Salem, Coimbatore and Tiruchirapalli were particularly favoured with falls over 50 per cent of the normal. The southern tip of the State was, however, unlucky in both the monsoons and there was heavy deficiency in the Sankarankoil, Nanguneri and Srivaikuntam taluks of Tirunelveli district and in the whole of Kanyakumari district, where crops withered over some areas causing some measure of distress. Low-scale famine relief works have been taken up in these areas to the extent necessary.

Under the stimulus of the favourable season and the various measures of intensive cultivation, the index of agricultural production in the State (base 1947-50) has risen by 4 points from 115 in 1955-56 to 119 in 1956-57.

The increase in area sown and production over the previous year of the principal crops are as follows:—

RISE IN FARM PRODUCE

	Areas sown in million acres.		Production.		Increase in yield over 1955-56.
	1955-56.	1956-57.	1955-56.	1956-57.	
(1)	(2)	(3)	(4)	(5)	(6)
					Per cent.
Paddy	5.49	5.54	2.96 million tons of rice.	3.10 million tons of rice.	4.7
Millets	5.51	5.60	1.47 million tons.	1.52million tons.	3.3
Groundnut	1.78	1.80	821,000 tons.	855,000 tons.	4.1
Cotton	1.16	1.20	335,000 bales.	358,000 bales.	6.9
Sugarcane	0.121	0.129	341000 tons of gur.	373,000 tons of gur.	9.4

Agricultural production in the whole of India has also increased. Rice from 26.8 million tons in 1955-56 to 28 million tons in 1956-57 and wheat from 8.3 million tons to 8.6 million tons. Among commercial crops, production of cotton has increased by 20 per cent, groundnut by 6 per cent and sugarcane by 17 per cent.

Sharp Rise In Prices

The increase in agricultural output should normally have depressed prices, but the year witnessed a sharp rise in the price level. The index of wholesale prices of foodgrains advanced by 105 points to 482 points during the course of one year. Rice, second sort, which sold at about Rs. 13 a maund in June 1955, was available only at Rs. 20 a maund in November 1956, and even after a bumper harvest the present price is Rs. 18 a maund with a marked upward trend.

Similarly cholam, ragi, cumbu and other millets which used to sell at about Rs. 8 a maund in May 1955 are now being quoted at Rs. 12 to Rs. 14.

Groundnut prices have risen from about Rs. 15 a maund in April 1955 to about Rs. 25 in March 1957.

Cotton prices have also gone up by about 15 per cent and Cambodia is now being quoted at about Rs. 100 a maund.

In a predominantly agricultural State, an upward trend in the prices of farm produce may even be generally welcomed but for the fact that we still do not grow enough rice in the State for our needs. To the extent the rise in food prices is due to overall shortage there may be danger ahead.

It has to be borne in mind that taking the country as a whole, there is some shortage of rice, and it is becoming increasingly difficult to import rice from other countries. But the situation is being carefully watched and fair-price shops are being opened, wherever necessary.

Economic Situation

The pressure of prices and the rapid depletion of foreign exchange reserves are the two major problems facing the economy of the country. The Union Finance Minister has, in his budget speech, analysed the causes and indicated the steps which we should take to tide over the crisis.

We are now making satisfactory progress in setting up the heavy industrial units contemplated in the Plan both in the Public and Private Sectors. This involves the import of large quantities of heavy machinery which have to be paid for immediately in foreign currency. There is an unavoidable time-lag between the purchase of these expensive machines and their going into production. When, for example, the three new steel plants now under construction are commissioned, we need no longer import iron and steel and may even be able to earn some additional foreign exchange by the export of these products. But, till this happens, the drain on our limited foreign exchange reserves will continue and we have to husband them with the greatest prudence.

The rapid rate of capital investment in the Public and Private Sectors, and the various development activities undertaken by the Government, have enlarged employment and increased the purchasing power of the people. This has naturally generated a fresh demand for foodgrains and consumer goods and the production in the country is not growing fast enough to meet the new demand.

Our difficulty in holding the price line is the direct consequence of our determination to organize heavy industries in quick time and, therefore, we should not unduly get alarmed over present developments.

We must accept these temporary inconveniences in good spirit since there can be no two opinions on our present need for rapid industrialization. The situation is expected to be trying for another two years, till the bulk of the new units go into production and in the meanwhile, we should take all other possible steps to mitigate the hardship.

Agricultural Development

The immediate part the State Government should play in this state of affairs, is to step up agricultural production within the resources set apart for that purpose in the Plan. One of the major schemes in our agricultural plan is the opening of about 360 seed farms for the supply of improved seeds to cultivators. There will be one such farm of about 25 acres in each National Extension Block, to produce primary seeds which on further multiplication will meet the bulk of the needs of the Block. Thirty-eight such farms were opened last year. We have since decided to accelerate this programme and a provision of Rs. 49 lakhs has now been made in the Budget for starting 136 farms during the current year. We hope to complete the programme by next year, so that the entire State may be supplied with good seeds, well in advance of the original target.

The use of chemical fertilizers is becoming increasingly popular. About 120,000 tons of ammonium sulphate were distributed in 1956-57 and it is proposed to step up the supply to 140,000 tons during the current year.

Short-term manure loans will be given as usual to smaller agriculturists and an allotment of about Rs. 70 lakhs has been made for that purpose.

Adequate provisions have been made for the other schemes of Agricultural department, such as sugarcane research and development (Rs. 15 lakhs), control of pests and diseases (Rs. 4.6 lakhs), urban compost (Rs. 5.5 lakhs), horticultural development (Rs. 5.36 lakhs), expansion of Agricultural College (Rs. 5.96 lakhs), distribution of green manure seeds (Rs. 1.19 lakhs), etc.

The minor irrigation programme and the filter-point scheme will be continued at a cost of about Rs. 55 lakhs. Steady progress is being maintained on all the Major Irrigation Projects.

The Lower Bhavani Project has been completed, and only small items of work remain on the Manimuthar and Mettur Canals. The Amaravathi, Krishnagiri and Sathanur reservoirs are nearing completion and some water can be stored in them even during this season.

It is proposed to let down these storages for irrigation on the 15th of August from the Krishnagiri reservoir, on the 15th September from the Amaravathi reservoir and on the 2nd October from the Sathanur reservoir.

The Kattalai and the Pullambadi channel works will be accelerated and a provision of Rs. 15 lakhs has been made for each of them in the Budget.

The schemes in the Major Irrigation Plan yet to be taken up for execution are the Vidur reservoir of South Arcot-Pondicherry and the diversion of west flowing rivers, but on both of them we have still to reach agreements with other States and the Central Government. The total allotment for major irrigation is about Rs. 234 lakhs.

Soil Conservation, Scheme

A new line of development which we propose to undertake on an enlarged scale during the year is soil conservation for which a provision of about Rs. 32 lakhs has been made in the Budget.

Some fork has been done in the Nilgiris already, and this will be continued. The scheme is now being extended to the plains to cover about 10,000 acres in Coimbatore, 2,000 acres in Salem. 2500 acres in Tiruchirapalli, 2,200 acres in Chingleput and 250 acres in Madurai.

The work will be done initially at the cost of the Government and it is proposed to recover about 75 per cent of the cost from the beneficiaries in easy instalments.

Hon'ble Members are aware that the reorganization of States has resulted in a substantial reduction of our forest wealth. The areas transferred to Kerala and Mysore contained our best timber forests and therefore, we have now to make a special effort to regenerate the inferior forest areas left over to our share.

We have included several useful schemes of development in the Plan and a promising start has already been made in implementing them. The Forest department has been reorganized into 18 compact territorial divisions to ensure better conservation and speedier execution of the new schemes.

The major provisions made in the Budget are regeneration of panchayat and ex-zamin forests (Rs. 12.5 lakhs), cashew cultivation (Rs. 4.4 lakhs), casuarina plantations (Rs. 3 lakhs), industrial timber such as blue gum, wattle and matchwood (Rs. 3.3 lakhs), commercial timber like teak and rose wood on river margins (Rs. 1.6 lakhs), preservation of wild life (Rs. 1.2 lakhs) and forest communications (Rs. 2.5 lakhs).

Key Village Scheme

On Animal Husbandry, the main item of development is the Key Village Scheme by which we eliminate inferior breeds of bulls in selected localities and stock them with pedigree bulls. Artificial insemination will be provided at these centres and a subsidy will be given for the proper rearing of bull calves born there. The improved stock so reared, will be bought by the Government and distributed to other areas. The Key Villages will thus be a nucleus for the supply of good bulls for the neighbourhood and serve the purpose of a cattlefarm. A provision of Rs. 16 lakhs has been made in the Budget for this and allied schemes.

A start will be made this year on the Madras City Milk Supply Scheme estimated to cost about Rs. 1-1/2 crores. Four thousand milch cows will be maintained in a farm in the suburbs of Madras and the milk will be distributed on the lines of the Aarey Milk Scheme of Bombay. The City Corporation will divert the sewage, now running to waste, into this farm for raising fodder for the needs of the farm. The present retail distribution of milk by Milk Unions will be co-ordinated with the scheme to ensure hygienic handling. A provision of Rs. 28 lakhs has been made in the Budget for these schemes.

Poultry development is also receiving close attention. A scheme for the import of pedigree chicks from overseas has been organized and new poultry units are being attached to every Key Village, and in due course we shall have a unit in each Development Block. An allotment of Rs. 3.3 lakhs has been made in the Budget for these schemes.

The various measures for the development of inland and marine fisheries will be continued at a total cost of Rs 14 lakhs. The use of mechanised Pablo boats is becoming popular since they enable fishermen to go farther into the sea for better catches, and a provision of Rs. 2-1/2 lakhs has been made for this purpose.

The supply of nylon nets will be subsidized at a cost of Rs 1-1/2 lakhs. The salt subsidy scheme will be continued and a scheme for the manufacture of fish meal and manure will be organized. It is also proposed to open fishing harbours by cutting the bars of river-mouths so that fishermen may have sheltered landing places from which to operate.

C.D., N.E.S., Gramdan

The Community Projects and the National Extension Services covered 91 blocks at the end of last year and 19 new blocks were taken up at the beginning of this financial year. It is now proposed to extend these services to 23 more blocks during the course of the year taking the total to 133 blocks. The provision under this head is Rs. 370 lakhs.

A new development in the rural sector is the Gramdhan movement initiated by Vinobhaji and there has been very considerable response in the southern districts more particularly in Madurai. The question of evolving a pattern on the co-operative model for the settlement and development of these villages is now engaging the attention of the Government.

In the meanwhile, a provision of Rs. 20 lakhs has been made in the Budget for giving loans to agriculturists in these villages for the intensive cultivation of the Gramdhan lands.

11.62 Crores For Power

Steady progress has been maintained so far on the Power Schemes in the Plan, particularly on the Kundah and the Periyar Hydro-Electric Schemes and the Madras Plant Extension, Third Stage. The total allotment for power development in the Budget is Rs. 11.62 crores. The 30,000 K.W. generating set under the Madras Plant Extension Scheme will be commissioned by December of this year and will relieve the power shortage of the grid in the summer months.

On rural electrification, we extended power-supply to 1,300 villages and 13,000 agricultural pumpsets during the last year and this is far in excess of the target for the year set in the Plan. It is proposed to maintain this tempo during the current year and adequate provision has been made for that purpose. But we may now have to reckon with the serious shortage of foreign exchange, steel and cement, which may retard progress.

Fortunately, the heavy machinery for the Kundah Project will be supplied by the Canadian Government under the Scheme of Foreign Aid, and therefore this Project may not be affected materially.

Every attempt will be made to implement the programme, but the House must be prepared for shortfalls, under the difficult condition now obtaining in the country. Although the Budget Estimates provide for the expenditure for the full year, with the formation of the Electricity Board, the direct responsibility for running the department will pass on to the Board. Consequently, funds required for the purpose will have to be advanced by the Government to the Board as a loan from out of the sums voted by the Legislature.

Lignite Project

On the side of major industries, the inauguration of the lignite project by the Prime Minister last month is the most significant development of recent times. We may note with some satisfaction that the sum of about Rs. one crore we had spared out of our limited resources on this investigation during the last few years, has been well-spent, for the Project costing about Rs. 70 crores may well revolutionize the industrial economy of the South.

The immediate programme in the Public Sector expected to come into fruition by 1960, is to set up a thermal plant of 200,000 K.W., a fertilizer unit for the manufacture of chemical manures with a nitrogen content of 70,000 tons per annum, and a plant for the briquetting of 350,000 tons of lignite for use as motive fuel for other industries.

With an assured supply of cheap fuel and power, there are large possibilities for starting many new industries based on this Project such as paints, varnishes, synthetic oils, insulators, porcelain, etc., and let us hope that private enterprise will seize the initiative in an adequate measure.

New Major Industries

On other major industries, we are now assured of an aluminium plant of 10,000 tons capacity based on the bauxite deposits of Salem, to be located at Mettur.

The National Industrial Development Corporation is expected to set up an iron smelting plant at Salem to utilize the local ore and pending further investigation at Jamshedpur, a licence has been granted for the installation of a small plant on the low-shaft furnace method in the private sector for the manufacture of pig iron.

A new paper mill has been licensed at Papanasam and another one at Mettur is under consideration.

A rayon pulp plant based on eucalyptus and wattle grown in the Nilgiris, is likely to be started at Bhavanisagar.

A new cement factory in Ramanathapuram district and a rubber tyre factory at Ambattur have been licensed.

Erection of the new caustic soda plant at Tirunelveli is progressing and the capacity of the existing one at Mettur is being expanded.

A factory for the assembling of metre-gauge railway wagons has already gone into production and a new one for broad-gauge wagons may also come up soon.

The new plant at Avadi for the manufacture of steel tubes has just commenced production.

The proposal for the expansion of the capacity of the T.I. Cycles from 2 lakhs units to 5 lakhs units per annum has been recommended by this Government and is now under consideration.

With the addition of about 13-1/2 lakhs of new spindles recently sanctioned and now going into production, the textile industry is making encouraging progress.

Many new sugar factories are being organised, mostly in the co-operative field, and a provision of Rs. 15 lakhs has been made in the Budget towards Government participation in the share structure.

These new enterprises are experiencing difficulties over foreign exchange, but efforts are being made to arrange for deferred payments to foreign suppliers of machinery.

Small-Scale Industries

Our approach on small-scale industries is to start a number of production-*cum*-training centres with the main object of training personnel for absorption in public and private enterprises.

Amongst such schemes already started are a footwear service centre at Perambur, another foot-wear unit at Triplicane, a hand-made match factory at Perambur, two model carpentry workshops at Cheranmahadevi and Krishnagiri, and a sheet-metal servicing centre at Wall-tax Road.

Similar centres are now under construction and will be opened during the course of the year in different parts of the State for the lock industry, textile mill parts hurricane lanterns, electrical goods, surgical instruments, scientific and laborartory equipments, brass-ware, cutlery, porcelain, sports goods and farm implements.

Industrial co-operatives are also being organised wherever artisans in a particular craft live together. A provision of Rs. 25 lakhs has been made towards State-Aid to Small Industries.

Steady progress is being made on the three new Industrial Estates at Guindy, Virudhunagar and Erode, and about 30 factory units will be available at Guindy during the year. The total provision in the Budget under Small-Scale Industries is Rs. 112 lakhs.

8 Lakhs For Rural Units

Large provisions have been made for the development of village industries like tanning (Rs. 5 lakhs), bee-keeping (Rs. 4 lakhs), village pottery (Rs. 2 lakhs), palm jaggery (Rs. 2.6 lakhs), cottage-type match factory (Rs. 7 lakhs), oil pressing (Rs. 1.8 lakhs) and assistance to village industries and artisans (Rs. 4 lakhs).

A provision of Rs. 10 lakhs has also been made for the development of various handicrafts such as lace embroidery, glazed ceramic wares, fancy leather goods, carpets, cloth dolls, wood carving, etc.

With a view to provide immediate additional employment in the rural sector, the Khadi programme is being accelerated.

We have made a start with the Ambar Charka programme and it is proposed to set up 12,000 Ambar Charkas during this year. Khadi worth about Rs. 125 lakhs is expected to be produced during the year, and a provision of Rs. 35 lakhs has been made in the Budget towards the net cost of the schemes.

Aid To Weavers

The needs of the handloom industry continue to receive the close attention of the Government. The various schemes already in force such as loans for working capital rebate on sales, organisation of sales depots are all being continued. In order to ensure the regular supply of yarn to weavers, it is proposed to start two Co-operative Spinning Mills one at Tirunelveli and the other at Srivilliputtur.

A provision of Rs. 146 lakhs has been made in the Budget for the benefit of handloom weavers and let us hope that the industry will maintain its present satisfactory progress.

Under the susidised industrial housing scheme, a provision of Rs. 12-1/2 lakhs has been made for private managements, and Rs. 3 lakhs for co-operative societies.

The City Improvement Trust and the various local bodies will be advanced about Rs. 15 lakhs under the low-income group housing scheme. A sum of Rs. 20 lakhs has been set apart towards slum clearance in the City of Madras.

The accumulation in the Madras Cyclone Relief Fund, 1955, amounting to about Rs. 20 lakhs will be spent on a scheme of rural housing in the cyclone-affected districts of Ramanathapuram, Madurai, Tiruchirappalli and Tanjore.

The police housing scheme under which we are constructstructing living quarters to the subordinate ranks of the police, is making fair progress, and a sum of Rs. 80 lakhs has been set apart in the Budget for that purpose.

A provision of about Rs. 37 lakhs has also been made towards loans to house-building societies.

A heavy programme of new construction of roads costing this Government about Rs. 102 lakhs in the current year, is being taken up. Fifty-eight other new works estimated to cost about Rs. 103 lakhs have also been sanctioned from out of funds at the credit of this Government in the Central Road Fund.

A bridge over the Cauvery on the Southern Trunk Road costing about Rs. 40 lakhs is under construction.

The investigation of the Pamban Bridge which may cost over a crore of rupees, is making progress.

Four hundred and seventy miles of major district roads now in charge of district boards will be taken over by the Government for maintenance to afford some relief to district boards.

Medical Aid

In selecting new schemes on the medical side, special emphasis is now being laid on the rural sector. Of the 140 primary health centres contemplated in the Plan, 28 were opened last year, another 28 will be started in the current year, and a provision of Rs. 18.6 lakhs has been made

These rural medical units can function efficiently only if the Taluk Headquarters hospitals to which they are attached are developed, and a sum of Rs. 11.3 lakhs has been allotted for improvements to 22 such hospitals in all the districts.

The Local Fund Hospitals at Nilakottai, Ginjee, Tirupathur (Ramanathapuram district), Omalur and Kulittalai will be taken over by the Government for direct management.

Work on the new District Headquarters Hospital at Palayamkottai, estimated to cost Rs. 23 lakhs, will commence in the current year, and a small provision has been made for that purpose.

Improvements to District Headquarters Hospitals at Chingleput, Cuddalore, Tiruchirappalli, Coimbatore and Vellore costing Rs. 14.9 lakhs will be carried out during the year.

The needs of the teaching hospitals are also being met adequately with allotment of Rs. 29.8 lakhs for Madurai Medical College, Rs. 11.5 lakhs for the Madras Medical College and Rs. 3.4 lakhs to the Stanley Medical College.

Provision has also been made for training in addition to the normal programme, about 200 nurses 200 pharmacists, 200 technicians. 200 maternity assistants and 30 opticians.

Water Supply

The Urban Water-supply Scheme covering about 15 Municipalities, is making appreciable progress, even though there is difficulty in securing all the pipes needed, and an outlay of about Rs. 93 lakhs is programmed for the year. The Rural Water-supply Programme, consisting mainly of the digging of wells and the composite protected water-supply schemes for the deltaic regions are being continued at a cost of Rs. 40 lakhs and Rs. 20.5 lakhs, respectively.

Amongst other Public Health Schemes, mention may be made of the opening of 96 new maternity and child-welfare centres at a cost of Rs. 4.7 lakhs, and 79 Family Planning Clinics at a cost of Rs. 4.1 lakhs.

The recommendations of the Committee of this Legislature on Educational Policy are now under examination. In the meanwhile, a provision of about Rs. 20 lakhs has been made for the opening of additional classes, Rs. 10 lakhs for the conversion of elementary schools into basic schools, and Rs. 23 lakhs for the conversion of ordinary training schools into basic training schools.

We have stepped up enrolment by over one lakh last year and this tempo will be maintained.

I should refer in this connexion to the provision of Rs. 10 lakhs for the supply of mid-day meals to poor children in primary schools. The Legislature Committee on Education has recommended that this concession should be an essential feature of a phased programme of implementation of Article 45 of the Constitution, and a beginning is proposed to be made this year.

The increase in the emoluments of non-gazetted employees of Government have been made applicable to school teachers generally, and the cost in respect of primary school teachers will be of the order of Rs. 132 lakhs.

87 Lakhs For Tech. Education

The successful implementation of the Second Plan with its heavy programme of industrial development, calls for special emphasis on Technical Education. The Government of India have offered substantial financial assistance for strengthening the existing training institutions and starting new ones.

The admission capacity of the Engineering Colleges in the State was 537 at the beginning of the first Five-Year Plan, and had increased to 647 at the end of the First Plan. According to the Second Five-Year Plan, this is to be raised to 1,100, and with the opening of a new Engineering College at Madurai we hope to reach this target even this year.

The capacity of our Polytechnics was raised from 922 to 1,142 in the First Plan period and we hope to raise it to about 1,600 in the current year.

The Budget provides for an outlay of Rs. 63.9 lakhs on Engineering Colleges, Rs. 15.2 lakhs on Polytechnics, and Rs. 8 lakhs on the Institute of Leather Technology.

The organization of technical education is now under the control of two heads of departments, the Director of Public Instruction and the Director of Industries and Commerce. Both these officers have large and growing departments to manage and may not be able to devote undivided attention to technical education. The All-India Council of Technical Education and its Southern Regional Committee have recommended the setting up of a separate Directorate to take over all aspects of technical education, and the Government have decided to implement that recommendation forthwith. A State Advisory Board will also be set up to advise the Government on the co-ordinated development of technical education at all levels and to maintain liaison with the Southern Regional Committee

The National Plan provides for the opening of four higher technological institutions for post-graduate studies in the country, and the location of the one for the southern region is now under the consideration of the Government of India. We have made strong representations pointing out the advantages of locating this institution at Guindy and have also agreed to provide the necessary land at State cost. We are expecting that a favourable decision will be taken soon by the Government of India.

Harijan Welfare

In respect of the welfare of Harijans and Backward Classes, besides the usual allotment for boarding grants, scholarships and fee concessions amounting to about Rs. 65 lakhs, several new schemes for the construction of houses, acquisition of house-sites, provision of sanitary amenities, subsidy for the purchase of bulls and agricultural implements, development of cottage industries, etc., are being sanctioned at the instance of the Government of India on a half-grant basis.

The Government have also decided to provide public lighting in the habitations of Harijans in villages where electricity is available.

The total provision under this head is now about Rs. 194 lakhs as against Rs. 134 lakhs in the last year.

With the increasing tempo of rural development work, the question whether our revenue districts are far too unwieldly in size for efficient administration, has come up for consideration. But there is considerable volume of tradition and history attached to the present configurations and there may be a good deal of local sentiment against the dismemberment of the present districts.

A Committee of the Cabinet is now considering this question and would welcome the suggestions of Hon. Members. In the meanwhile, it has been decided to keep the Kanyakumari area as a separate district and to detach the Nanguneri taluk from the Tirunelveli district and add it on to the Kanyakumari district forthwith, so as to even out the work-load of the District Officers of the two districts.

Accounts For 1956-57

The Revised Estimates for 1956-57 anticipated a revenue of Rs. 57,08 lakhs, and an expenditure of Rs. 60,87 lakhs leaving a deficit of 3,79 lakhs. The Preliminary Actuals of the year are now available and show that our revenues for the year were Rs. 54,85 lakhs and expenditure Rs. 55,34 lakhs leaving a much smaller deficit of Rs. 49 lakhs.

An expenditure of Rs. 42 lakhs was met during the year from the Contingency Fund and therefore, the actual deficit should have been Rs. 91 lakhs.

Even so, the revenue position turned out to be much better than our original anticipation.

Various inter-departmental adjustments have still to be made and the final position will be known only a few months hence.

There has been appreciable shortfall in expenditure under development heads like Agriculture, Industries, Co-operation and National Extension Services owing to the delay in building up the organization for implementing some of the new schemes, and consequently there has been reduction in departmental receipts expected from the new schemes.

Under Capital Expenditure also, there has been a short fall of about Rs. 3,63 lakhs the actuals being Rs. 20,52 lakhs against an anticipated outlay of Rs. 24,15 lakhs.

The figures will be further modified, as the items now held under suspense heads are entered into the accounts, but the general picture may not be materially altered.

Since there were short-falls in expenditure we have drawn Rs. 9 crores less, as loans from the Centre. Even so the year closed with an effective cash balance of Rs. 1,64 lakhs, as against Rs. 51 lakhs only anticipated in the revised budget.

Estimates For 1957-58

The figures furnished in the interim budget for the year, presented to the old Legislature last December, have now been revised keeping in mind the almost unavoidable lags in execution at the organizational stage of the new schemes in the Plan. The Budget as now framed anticipates a revenue of Rs. 56,49 lakhs on existing taxation and an expenditure of Rs. 61,32 lakhs including Rs. 1,82 lakhs on new schemes to be sanctioned in the course of the year, leaving a deficit of Rs. 4,83 lakhs. The sum of Rs. 42 lakhs which we withdrew from the Contingency Fund last year has to be refunded after the expenditure is voted and has been taken into consideration in reckoning the present deficit.

Cost Of Concessions

The main cause for this large deficit is the enhancement by Rs. 12 per mensem in the emoluments of non-gazetted officers and other

(Continued on Page 7 Column 1)

SITUATIONS VACANT

WANTED technically qualified and experienced General Manager for a medium size textile mill in Western India. Good salary promised Write stating qualifications and experience to Box No. 904 c/o Sunday Standard, Colaba, Bombay-5.

TENDERS

GOVERNMENT OF ANDHRA PRADESH,
PUBLIC WORKS DEPARTMENT.

Name of work:—Excavation of N.S. Right Canal from 10/4 to 10/6.

THE receipt of tenders for the above work is postponed to 4 p.m. on 10-7-'57. Receipt of applications for tender schedules to 1-7-'57.

(Sd.) M. A. RAHMAN,
Superintending Engineer,
Nagarjunasagar Right Canal.

M/s. ASHOK BROS.,
42, ANDERSON STREET,
MADRAS-1,

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RESIDENCE PERMITS FOR INDIANS IN PAKISTAN

KARACHI, June 29.

THE Pakistan Government have made it obligatory on Indians living in Pakistan to take out residential permits, thereby withdrawing certain privileges enjoyed by them as Commonwealth citizens.

When the priority system was introduced, the number of officers authorized to book such calls was small. At present, however, there are 300 officers in Calcutta, 250 in Delhi, 130 in Bombay and 74 in Madras, besides many in other towns who are authorized to book high priority calls.

A notification published in a Gazette Extraordinary dated June 28 said Government had taken this action in exercise of powers conferred on them by the Foreigners Act of 1946 and the amended Foreigners Order of 1951.

A Government spokesman said the ordinance only "reciprocates" the Indian action, taken early this year, by which India withdrew from Pakistanis and South Africans residing in India the privileges they enjoyed as Commonwealth citizens. He said the ordinance would not mean any change to Commonwealth citizens other than Indians.

"Even Indian citizens will not be affected by the change in practice. In their instance registration is at present being carried out under the Control of Entry Act, of 1952, and this position will continue in future," he said. The one additional responsibility on the Indians would be that of securing residential permits under foreigners' orders, he added.

Pakistan wants Money For Water Storage

KARACHI, June 29.

PAKISTAN had made a fresh demand that India should pay for the construction of water storage facilities in West Pakistan at the recent talks with the World Bank Vice-President Mr. W. A. B. Iliff, informed Pakistani sources said today.

The World Bank, in its proposals made in 1954, had suggested that India should compensate Pakistan for the link canals. It was known so far that a hitch had arisen over the amount of the compensation India had to pay. But now, according to Pakistani officials, Pakistan was contending that the Western rivers did not carry enough water for uses in Pakistan. (It is on record that experts were agreed that 80 per cent water flowing in the entire Indus system flows through the three Western rivers reserved for Pakistan).

Pakistani sources said the World Bank Vice-President had modified the 1954 proposals (for division of the rivers) to meet the Pakistani demand for storage facilities.

In Pakistan's estimate, these sources said, the construction of link canals and storage facilities would cost about 131 million dollars. The entire amount, Pakistan contends, should be paid by India.—PTI.

Land Control Posts

U.S. PROPOSALS IN DISARM BODY

LONDON, June 29.

Discussion in the U.N. Disarmament Sub-Committee yesterday centered on land control posts to supervise disarmament measures in conventional arms.

Mr. Stassen, chief U.S. delegate, was described as saying that control posts were needed to guard against a surprise attack. They should be so located as to develop confidence on both sides and help relax tension along international borders. They should be equipped with modern communications, so as to give speedy news of any surprise attack.

Mr. Stassen urged that control posts should be located at airports, as Soviet proposals earlier this year provided, despite the fact that later Soviet proposals on April 30 said airport control posts should only be established during a later stage of disarmament.

Mr. Stassen suggested to Mr. Zorin, Soviet delegate, that a list of the locations of control posts should be included as an annexe to any partial disarmament treaty. Mr. Zorin was stated to have agreed.

Moch-Zorin Clash

French delegate Moch was reported to have clashed with Mr. Zorin over the location of control posts.

After agreeing with Mr. Stassen that posts should be at airports as well as ports, railway junctions, and communications centres, M. Moch said posts should not be limited to frontier areas as the Russians proposed, but should be located throughout a country.

Mr. Zorin was described as asking M. Moch if he would agree to control posts throughout French territory.

M. Moch replied that he would allow the Russians to man control posts wherever they wanted on French territory, at home and overseas, provided the Russians would allow control posts anywhere on Soviet territory.

Mr. Zorin declared this was unacceptable. Control posts had one aim, to guard against any surprise attack, and in Mr. Zorin's view, a surprise attack could not be prepared far from a border line. It could only come from frontier or near frontier zones.

M. Moch said he rejected this conception of Mr. Zorin.

The next meeting of the Sub-Committee planned for next Monday afternoon has been postponed until Tuesday, a U.N. spokesman said today.—Reuter.

U.K. Probing Soviet Intentions

BARRY (Wales), June 29.

Commander Allan Noble, British Minister of State charged with the conduct of the current disarmament negotiations, said here today that Britain was still trying to probe Soviet intentions in proposing a two to three year cessation of nuclear tests.

Commander Noble, who was addressing a public meeting, said that the Soviet proposal for suspension of test explosions would not in itself end the nuclear arms race.

He said that in the British view cessation of tests "should be linked with the cessation of the production of further fissionable material for making nuclear weapons."

Commander Noble said, "If tests are stopped without the production of fissionable material for weapons being stopped then those Powers which have already carried out most tests are left at an enormous advantage since they can perfectly well go on manufacturing whatever weapons they have already been able to test."

According to unconfirmed reports, Mr. Stassen's nuclear proposals foresee a 10 to 12 months ban on tests, during which time an agreement would be negotiated to stop nuclear production for military purposes.—Reuter.

BRICKS TO BEAT A-RADIATION

MADRAS, June 29.

Bricks capable of absorbing atomic radiation and providing possible protection against atomic fall-out have been developed by using burnt rice hulls by an agricultural engineer in Louisiana State in the U.S.A.

The rice hulls on burning turn into mineral form, which is 94.5 per cent silica. The ash flakes are porous and make a good insulating material.

The bricks are made of equal parts of ash and soil in combination with emulsified asphalt at a cost of five cents per brick. Water is added to the mixture to form a plastic mass similar to mortar in consistency.

The bricks are light, and the cost very low, for construction of farm buildings. This development has not only solved the problem of dumping as waste large quantity of rice hulls, but has also given practical use to a waste material.

Measures to Eliminate Corruption Among Govt. Servants

NEW DELHI, June 29.

Further measures to eliminate corruption amongst Government servants are being proposed by the Union Home Ministry through an amendment of the Criminal Law Amendment Act. This will be one of the important measures before the ensuing session of Parliament.

Other measures being sponsored by the Home Ministry include two bills dealing with service conditions of Judges of the Supreme Court and the High Courts, another providing for the abolition of domicile conditions for eligibility to public employment and one providing for release of certain classes of offenders on probation.—PTI.

M. CT. M. CHETTIAR HIGH SCHOOL

MADRAS, June 29.

Mr. V. S. Gopalakrishna Iyer, Headmaster of Sir M. Ct. Muthiah Chettiar High School, is laying down office on July 1, after a long term of fruitful service in the field of education. By his discipline, concentration, sincerity and refreshing urbanity, he won the hearts of his colleagues and students alike.

He is being succeeded by Mr. S. Narasimhan, who has been for ten years headmaster of the K. S. C. High School, Tiruppur.

Admission To Medical College

26 Seats For Students From Kerala

TRIVANDRUM, June 29.

Twenty-six seats have been reserved in the medical college of Madras State for candidates from Malabar at the intervention of the Central Government, it was officially stated here today.

Kerala had sought the intervention of the Centre in the matter when Madras refused to reserve any seat in the medical college for students from Malabar, which was transferred from Madras to Kerala on reorganisation of States.

Madras had, however, agreed to admit twelve students in the engineering college, eleven in agricultural college and two in veterinary college in Madras on the condition that proportionate cost of maintenance of the institutions should be borne by the Government of Kerala.

A Press release said that in view of the increase of the number of seats in the Trivandrum Engineering College Kerala Government informed Madras that no seats were required in the engineering college there.

The Government of India has now decided to reserve in addition to eleven seats in the agricultural college and two seats in the veterinary college, twenty-six seats in the medical college also. The State Government, the Press note said, has informed Madras that these reservations will be accepted by it subject to the conditions which may be laid down by the Government of India.

The Press release reads:

"Reports have appeared in a section of the press regarding the reservation of seats for candidates of Malabar in professional colleges of the Madras State. The Government wish to clarify the position which is as follows:

The Government of Madras informed this Government that they were agreeable to the admission of the following number of students in their institutions as indicated below:— Engineering college 12; Agricultural College 11; and Veterinary college 2.

In view of the increase of the number of seats in the Engineering College, Trivandrum, from 100 to 210 this Government informed the Madras Government that no seats were required in the Engineering College of the Madras State. It was laid down as a condition—precedent to such reservation that the proportionate cost of maintenance of the institutions should be borne by the Government of Kerala. Against this information, the Government of Kerala informed the Government of Madras that reservation of seats in the Agricultural College was required by this State.

Regarding medical college the Government of Madras did not agree to reserve any seats for students from Kerala. The State Government addressed the Government of India seeking their intervention in the matter. The Government of India have now decided to reserve eleven seats in the Agricultural College, two seats in the Veterinary College and 26 seats in the Medical College of Madras State for candidates from Malabar. The Government have informed the Government of Madras that in supersession of all previous correspondence on the subject, these reservations will be accepted by this State subject to the conditions which may be laid down by the Government of India."

Urgent Talks On Congestion In Ports

(From Our Special Representative)

NEW DELHI, June 29.

THE Union Minister of Transport and Communications, Mr. Lal Bahadur Shastri, has convened a conference of the Chairmen of the Port Trusts of Bombay, Madras, Calcutta, Cochin and Vizagapatnam at New Delhi on or about July 10 to discuss short-term and long-term measures necessary to ensure expeditious handling of traffic.

The sense of urgency attached to this issue by the Minister is reflected in his decision to appoint a Committee with the Chairman of the Bombay Port Trust, Mr. L. T. Gholap, as Chairman, to devise ways and means of eliminating the existing congestion in that port, where the largest number of ships are reported to have arrived.

A number of ships laden with cargo including iron and steel, foodgrains and heavy machinery, have reached Bombay port.

Serious Position

The congestion is reported to be equally serious in other ports also including Calcutta, Madras and Vizagapatnam. Port Trust authorities have been requested to take all possible measures to eliminate the congestion early.

Following Mr. Gulzarilal Nanda's recent visit to Bombay, representatives of labour have agreed to lift higher loads than in the past, it is learnt. Should, however, the position deteriorate, the Port Trust authorities may be compelled to resort to mechanical unloading of ships.

U K Planes Bomb Yemeni Town

NEW YORK, June 28.

Yemen charged today that British planes bombed the town of Shukair, on her eastern borders, on June 19 "another act in the chain of unprovoked and unjustified British aggression".

In a note to U.N. Secretary-General Mr. Hammarskjoeld, the Yemeni permanent representative, Prince Saiful-Islam el-Hassan, said: "The savage bombardment continued for five hours."

Damage and losses had not been finally assessed, but were "believed to be tremendous", the Prince said.—Reuter.

Pataskar Report On Border Issue

Andhra & Madras Decide To Accept

MADRAS, June 29.

What Mr. H. V. Pataskar (former Union Minister) decides in regard to the Madras-Andhra border dispute will be only a recommendation, but both the Madras and Andhra Governments have agreed to abide by his decision.

This information was given in the State Assembly today by the Leader of the House, Mr. C. Subramaniam, while answering an interpellation on the subject by Mr. N. K. Palaniswami.

The Minister added that though no official communication had been received on the point, he could say from the information available that Mr. Pataskar's report would be made to the Centre on July 1.

Answering a supplementary question by Mr. P. M. Munuswami Gownder, the Minister declared that it was the categorical opinion of the Madras Government that the Andhra State had no claim over Hosur. In spite of this, they had agreed to a consideration of this matter also by Mr. Pataskar in view of the fact that the Andhra State wanted its inclusion within the purview of his examination.

Mr. K. Vinayakam: On a former occasion the Minister said that he was not prepared to place on the table of the House the memorandum submitted by this Government to Mr. Pataskar. Will he at least explain the principle basis on which the memorandum was prepared, the percentage of population of the respective groups in the disputed area, the areas that we should get on that basis, and the areas that might go to Andhra?

Minister: I do not think I will be able to do justice to the subject by attempting an answer to this question.

Mr. K. Anbazhagan: Will the Government reject the Pataskar report if it goes against the just interests of Tamilnad?

The Speaker, intervening, told the member that it was a hypothetical question and he was ruling it out of order.

Bill To Protect Hotel Workers

Mr. R. Venkataraman, Minister for Labour, answering an interpellation by Mr. N. K. Palaniswami, said that the draft bill aimed at giving protection to hotel workers in the State was now ready, but it could be taken up only in the next session of the Assembly.

The Minister explained that after the present Budget session he wished to scrutinize the draft Bill once again before its publication. That was why he needed time for its publication, but it would be done as early as possible.

Mr. P. S. Chinnadorai asked whether Government proposed to ascertain the views of the hotel workers' organisations on the Bill before its publication.

The Minister explained that the Bill would be published before the next session of the Assembly and if the workers' representatives made representations on them, Government would consider them. If the member wanted any other procedure to be adopted, Government would also consider it.

Mr. Venkataraman assured Mr. K. Vinayakam that the object of the Government was to establish amity between the workers and managements and the member need not have any apprehension on that point.

In answer to an interpellation, Mr. Venkataraman said that the National Development Industrial Corporation would set up an Aluminium Plant at Mettur in the public sector.

Replying to a supplementary by Mr. M. P. Subramaniam, the Minister said that a licence had been granted to a private concern at present for the exploitation of the Shevroy bauxite, but if necessary the licence would be cancelled and legislation undertaken by Government to take over the business.

Answering further supplementaries the Minister said that how soon the Aluminium plant would be started depended upon the results of the tests now being made in the U.S.A. on the bauxite samples. The Mettur site for the location of the plant was selected as the most suitable for the purpose.

Minister's Tour In Europe

Mr. N. K. Palaniswami asked whether any Minister went on tour to European countries in his official capacity during 1956, and if so to give details of the purpose for which he went and the expenditure incurred on the same.

Mr. C. Subramaniam replied in the affirmative and explained that at the instance of the Government of India Mr. M. Bhakthavatsalam, who was then Minister for Agriculture, visited Geneva on official business in June 1956 as leader of the Indian delegation to the 39th session of the International Labour Conference. An expenditure of Rs. 6,843 and odd was incurred on the tour and it was met by the Government of India.

Revision Of City Divisions

Mrs. Lourdammal Simon, Minister for Local Administration, informed Mr. S. Pakkiriswami Pillai that Government had received a proposal from the Madras Corporation for increasing the number of the existing Municipal divisions by sub-dividing them. She added that the steps necessary for the purpose were being considered at the moment.

The Minister informed Mr. K. Ramachandran that the proposal was to increase the existing 50 divisions to 60 by sub-dividing 10 of them. But since this selection of 10 divisions for sub-division might lead to other complications, the matter was now being further considered afresh.

Reorganisation Of Dt. Boards

The Local Administration Minister answering an interpellation by Mr. V. K. Ramaswami Mudaliar said that action on the proposed reorganisation of District Boards would be taken in the light of the report of the Cabinet Sub-Committee which was now examining the entire question of local administration reform adumbrated in the White Paper.

Mr. K. Vinayakam: In view of the fact that District Boards at present have no other work except running schools and transferring teachers from one place to another, will the Government and the Cabinet Sub-Committee consider the desirability of abolishing District Boards altogether?

Minister: It will be considered (laughter).

Mr. S. Nagaraja Moniagar: Are Government aware that under any scheme of decentralization of power, which is the modern vogue, the existence of District Boards and the creation of Taluk Boards are some of the things quite necessary for efficient administration? Will they take this aspect also into consideration?

Minister: Yes; that will also be considered. (More laughter).

Electoral Rolls

Mr. C. Subramaniam, Leader of the House, informed Mr. C. R. Ramaswami that before the next general elections Government would consolidate the voters' list by making house to house enquiry. The Minister also informed the House that where complaints of enumeration of false names in the electoral rolls of any particular area had been received or comments made in the press and otherwise, Government were themselves conducting enquiries and rectifying defects.

A.-I. Council Of Ele. Education To Function From July 1

NEW DELHI, June 29.

The Government of India have announced the setting-up of the All-India Council of Elementary Education with effect from July 1 to serve as an advisory body to the Union and State Governments and local bodies on matters relating to elementary education.

A Government resolution published in the Gazette of India says the Council is being set up "in order to accelerate the pace of expansion of elementary education and to fulfil the directive of Article 45 of the Constitution."

Article 45 enjoins on the State that it shall endeavour to provide before 1960 free and compulsory education for all children until they attain the age of 14.

Other Functions

The other functions of the Council would include preparation of programmes for the early implementation of Article 45 of the Constitution, to revise them as and when necessary, and to review the progress made in this direction—preparation of detailed programmes for the expansion and improvement of elementary education in each State—organising and assisting research in the administrative, financial and pedagogic problems of elementary education—production of literature to help the education department and teachers to improve the quality of elementary education—collection of data on problems of elementary education, conducting sample surveys and special investigations—and generally to advise on all matters as might be deemed necessary to provide proper guidance, leadership and co-ordination for the improvement and expansion of elementary education.

The Educational Adviser to the Government of India will be the Chairman of the Council which will have 20 other members—14 members representing each State, one member of the Central Advisory Board of Education to be nominated by its Chairman, one representative of the All-India Council of Secondary Education to be nominated by its Chairman, one principal of a training college to be nominated by the Union Minister for Education, and two educationists connected with fields of basic education, girls' education and education of Backward Classes. The head of the basic and social education division of the Education Ministry will act as the Secretary of the Council. Non-official members will hold office for two years, while official members will continue until they are replaced by others.

The headquarters of the Council will be at New Delhi.—PTI.

JUBBULPORE, June 28.

Mr. S. K. Dey, Union Minister for Community Projects here this afternoon was robbed of cash amounting to Rs. 130 kept in his purse.

It is stated that soon after his arrival at the Government House he left his purse on a table and went out of the room. Later when he opened the purse he found the cash inside missing.

CENTRAL CO-OP. INSTITUTE EXAM. RESULTS

MADRAS, June 30.

The following are the results of the Central Co-operative Institute examinations held in March 1957:

CO-OPERATION

First Class: Nil.

Second Class: 4 23 34 43 45 46 48 49 63 69 74 83 84 87 94 103 09 14 20 24 28 33 40 44 60 65 71 79 84 92 206 11 19 24 46 60 61 63 77 81 85 89 305 08 25 46 64 73.

AUDITING

First Class: 84 96.

Second Class: 3 8 29 33 45 46 51 54 57 62 68 79 80 87 88 94 95 97 106 07 14 23 24 31 33 40 43 44 55 65 72 75 83 84 85 208 13 27 35 40 42 50 53 58 60 63 73 80 91 92 301 03 06 10 11 13 17 34 37 43 45 48 53 59 67 70.

BANKING

First Class: Nil.

Second Class: 14 18 33 36 38 44 46 52 53 55 64 69 73 74 81 87 89 92 100 06 09 13 14 17 21 24 31 33 34 40 42 44 46 47 49 54 55 60 64 65 68 71 72 74 79 87 93 241 51 52 53 62 66 68 83 92 305 15 16 32 53 55 61 63 65.

BOOK KEEPING

First Class: 50 84 99 111 19 23 51 57 58 240.

Second Class: 8 31 51 59 64 69 79 80 82 87 90 91 94 95 107 08 09 12 21 26 41 42 43 52 54 55 60 61 69 74 77 242 60 61 73 91 313 23 68 70 73.

MADRAS VARSITY CONVOCATION

MADRAS, June 29.

The Registrar, University of Madras, notifies:

The annual convocation of the Madras University will be held some time in the third or the fourth week of August 1957. The exact dates will be notified later.

The last date for the receipt of applications, in the prescribed form, both in person and in absentia, is 15th July, 1957. No application will be accepted thereafter.

Madras Budget Presented

(Continued from Page 1)

taxes), a few members from both sides of the House did make a feeble attempt at cheering.

Reactions To Budget

When pressmen approached the Opposition leaders for their immediate reactions, to the budget, one could notice a marked hesitancy on their part to come out with any comment.

The leader of the Dravida Munnetra Kazhagam, Mr. Annadurai, told reporters after a pause: "One has to think deep about the Budget proposals before one can venture any comment."

The C.R.C. Deputy Leader, Mr. T. S. Ramaswami Pillai, felt that to understand the real significance of the Budget proposals, they should necessarily have to compare it with the Kerala Budget. He said that if they did so, they would come to the inevitable conclusion that the Budget was "disappointing."

Congress members, on the other hand, openly recognise in the Budget proposals, the determination of the Government to "go ahead" with the planned development of the State, without in any way being unnerved by the difficulties. They are unanimous in their praise for the Government for their decision to reduce the rate of sales-tax on food grains, particularly in the background of the five-crore deficit in the Revenue Account and point out that this gesture on the part of the Congress Ministry should go a long way to meet the criticism about the levy of sales tax on food articles.

A general five per cent increase on the rate of agricultural income-tax on the plantations is justified by Government supporters as necessary to meet the growing deficit in the State's finances and when compared to the stiffer rates, announced by the Kerala Finance Minister, it is felt that the planters in Madras may have less cause to complain about Mr. Subramaniam's proposal.

The Assembly will commence its five-day general discussion on the Budget at 9 a.m. on Monday.

Estimates Presented In Council

MADRAS, June 29.

Presenting the Budget estimates for 1957-58 in the Legislative Council this afternoon, Mr. R. Venkataraman, Industries Minister, said the present budgetary difficulties were only a passing phase and there need be no alarm about their internal financial stability.

Mr. A. M. Alla Pichai, Deputy Chairman, presided.

Mr. Venkataraman took seven minutes to deliver his brief speech explaining the scope of the Budget presented earlier in the Assembly by the Finance Minister.

After Mr. Venkataraman presented the Budget, the House adjourned to meet at 3 p.m. on July 1.

Mr. Venkataraman, in the course of his speech, pleaded for a fair share in the taxation on growing industrial wealth. He pointed out that there could be no escape from taxes for the present generation. He said they would have to rely on small savings to cover the gap in resources because they had no idea of floating a loan in the open market.

Mr. R. Venkataraman said:

"The Budget anticipates a revenue of Rs. 56.49 lakhs on existing taxation and an expenditure of Rs. 61.32 lakhs on the revenue account, leaving a deficit of Rs. 4.83 lakhs. New taxes have been proposed to fetch an additional revenue of 150 lakhs in the current year, but the final deficit of Rs. 3.33 lakhs is still large. The reasons for this imbalance are not far to seek. We are stepping up the tempo of the various development schemes included in the Plan as explained in the budget speech. The total outlay on the Plan in the budget is expected to be Rs. 32 crores of which about Rs. 10 crores will be on the revenue account. The expenditure on schemes in the Plan is in addition to the cost of maintaining all the existing development services at the present level and therefore we have to tap fresh resources to meet the new expenditure. We are getting some measure of Central assistance on these new schemes but the balance, which is substantial, will be a charge on State revenues. We have recently increased the emoluments of low-paid public servants at a cost of about Rs. 4 crores, and the full impact will be felt during this year. The Budget also provides for an enhancement in the dearness allowance of village establishments.

Rigorous Pruning

"The gap in the revenue account should have been larger but for the rigorous pruning which we have effected in the estimates of departments on non-development expenditure. This process will be continued during the course of the year and it is now proposed to appoint a special officer to work under the immediate supervision of a committee of the Cabinet to scrutinise the staff requirements of the various departments and to eliminate waste and non-essential expenditure. The findings of this body will be implemented then and there, and we may hope to effect some savings this way.

"The real cause for the large deficits in the budgets of all States is the fact that under the Constitution it is the responsibility of the State Governments to provide the people with their basic needs such as elementary education, medical assistance, drinking water supply, agricultural facilities, rural communications, etc. The taxable resources of the State Government are practically the same as in the pre-Independence period and most of them have been already stretched to the point of diminishing returns. Taxation of the growing industrial wealth is within the Central sphere and, unless we are given a fair share of this, we may not be able to discharge our growing responsibilities adequately. The Finance Commission has taken due note of our representations and let us hope that the award of the Commission will meet our case satisfactorily and enable us to cover the present deficit.

"The gentle publicity we have been giving to the National Plan has made the people increasingly conscious of their needs and rights. Even though we have been spending enormous sums on welfare schemes in recent years, large sections of the people especially in the countryside are still without the elementary amenities of life such as drinking water, village communications and educational facilities.

"We have to provide these in quick time and, therefore, the present generation has no escape from mounting additional taxation. The enhancement of general sales tax from 1-9/16 to 2 per cent as proposed in the Budget can only be considered as a rationalisation of the system in the light of the new decimal coinage. The reduction of this tax to one per cent on foodgrains arises out of the need for meeting the largely voiced demand for the abolition of the levy on foodstuffs and will bring in a measure of relief to the consumer.

"In this connection I may observe that the Government are well aware of the criticism levelled against the present system of levy of sales tax obtaining in this State. Hon'ble Members have taken note that we have recently passed legislation changing over from the multi-point to the single-point system in respect of certain commodities. The question of substituting an excise duty at source in lieu of sales tax on mill cloth, sugar and tobacco is now pending consideration, and if the proposal goes through, there will be considerable relief to these sections of dealers. We should keep in mind that sales tax is our main source of revenue and therefore any change in the present system must adequately safeguard existing revenue. Government are considering the matter afresh and have requested Dr. P. S. Lokanathan, Director-General of the National Council of Applied Economic Research, to go into all aspects of our sales tax administration and to suggest reforms to simplify the procedure. Let us hope that he would show us a way for minimising the hardships to the trade and improving the revenue to the State.

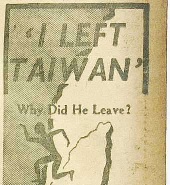
"On the capital side of the Budget adequate provisions have been made for all schemes according to the present rate of their progress, and the total allotment is about Rs. 24 crores. But we do not at present have in sight all the resources for implementing this programme. Proceeds of raising a public loan on the lines of our effort in previous years are not bright, and therefore we have decided not to enter the open market.

Small Savings

"We shall have to make a special effort on small savings to cover the gap in resources for the year. The material increase in industrial production and agricultural prices has resulted in some rise in the incomes of industrial labour and smaller agriculturists and we must devise some means to enable them to save a portion of their earnings for their own benefit and the benefit of the State. The collection from this source in the current year may not be substantial but this may grow in course as the savings organisation gets into gear. For the balance of our capital requirements for the year we have to depend on additional Central assistance.

"It is indeed true that we are in immediate difficulties about balancing the budget both on the capital and on the revenue side, but we need not be unduly perturbed over this situation. We have had such difficulties every year at budget time but we have surmounted them. These difficulties arise from our anxiety to implement as large a programme as possible for improving living conditions and would not have been there if we had decided on a less ambitious programme. So far, we have borrowed about Rs. 98 crores from the Government of India and the general public. But we have invested all these moneys on productive capital works, about Rs. 60 crores on electricity and Rs. 40 crores on irrigation works. We have sent about Rs. 25 crores to investments in public bodies and also held securities worth about Rs. 12 crores in various Depreciation Funds. The book value of our capital assets is thus very much in excess of our public debt. Our present budgetary difficulties are only a passing phase and need not alarm us because we have only planned for stability. We have made substantial investments in the past, and made them wisely too.

"With these remarks, Sir, I present to this House the Budget Estimates for 1957-58."



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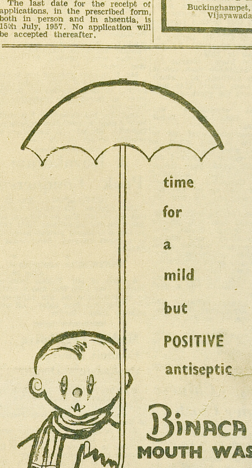
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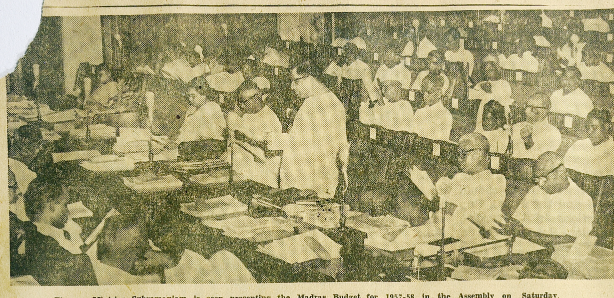

Finance Minister Subramaniam is seen presenting the Madras Budget for 1957-58 in the Assembly on Saturday.

Tax Adjustments To Cover Budget Deficit

(Continued From Page 2)
low-paid public servants which we recently sanctioned.

The extra cost of these concessions, is about Rs. 4,26 lakhs, but the Central Government has agreed to meet a portion of the cost amounting to Rs. 1,94 lakhs at the rate of Rs. 8 per mensem for those drawing Rs. 60 and less as total emoluments, and at Rs. 4 per mensem for those drawing Rs. 60 and upto Rs. 100.

The Centre does not share the cost of the concessions for those drawing above Rs. 100, but a loan of Rs. 25 lakhs will be available to us this year for that purpose.

We should indeed be grateful to the Union Finance Minister for sponsoring this scheme of Central assistance but for which, we would not have been able to afford this measure of relief to our low-paid employees.

Our village officers have not had the benefit of these concessions and there is some unrest among them. The question of reorganizing village establishments by the Revenue Department and the recent administrative needs, is now under the consideration of the Government, but decisions on this are likely to take time.

It is now proposed to increase the emoluments of the village establishments by Rs. 7 for Karnams, Rs. 5 for headmen, and Rs. 4 for village servants. This concession will take effect from 1st July, and will cost about Rs. 30 lakhs in a full year, and Rs. 20 lakhs in the current year.

Other financial concessions to public servants included in the budget are, revision of the scale of pay of upper division clerks in the Ministerial Service to provide for larger increments in the earlier stage, upward revision of the scale of pay of audit clerks and Inspectors in the Local Fund Audit Department, provincialization of service conditions of workers in the Government Estate, enhancement of the pay of night watchmen up to the prevailing market rates, provision of recreation facilities to nursing staff in certain Government hospitals, the supply of warm clothing to village servants on the Hills, and the upgarding of 23 posts of Assistant Surgeons to a Selection Category.

Taxation Proposals

The deficit of Rs. 4,83 lakhs is large and cannot all be left uncovered at any time, the more so now, with the present upward trend in prices and with a heavy Capital Programme, for which also we are short of resources.

The following proposals to increase the existing revenue, are being made:—

(a) The ordinary rate of General Sales Tax was 3 pies in the rupee or 1-9|16 per cent till 31st March 1957. With the introduction of the decimal coinage from the 1st April 1957, this should normally have been rounded to 2 per cent. But the Government have continued the old rate till now, so as to give the matter full consideration.

Calculation of sales tax in fractions of the percentage is inconvenient and may give unscrupulous dealers an advantage over customers in small transactions.

It is now proposed to fix the rate at 2 per cent in the case of commodities other than foodgrains and to reduce the rate to 1 per cent in the case of foodgrains (paddy, rice, wheat and millets). It is also proposed to exempt books from the levy of sales tax.

The net effect of these proposals is expected to be an additional revenue of Rs. 170 lakhs in a full year but we may realize only Rs. 125 lakhs in the rest of the current year.

(b) It is proposed to rase the rate of Agricultural Income-tax on owners of plantations as follows:—

Income	Present rate per cent.	Proposed rate per cent
On the first Rs. 1,500	Nil.	Nil
On the next Rs. 3,500	5	5
On the next Rs. 5,000	10	15
On the next Rs. 5,000	15	20
On the next Rs. 5,000	20	25
On the next Rs. 5,000	25	30
On the balance of total agricultural income and on the total income of companies.	35	45

It is expected that an additional revenue of Rs. 25 lakhs per annum will accrue from this source.

These two new measures will bring in an additional revenue of Rs. 1,50 lakhs in this year reducing the deficit of Rs. 3.33 lakhs.

Share From New Central Levies

The Union Finance Minister has proposed modifications in the rates of income-tax and Excise Duties, and a new surcharge on railway fares and these are now under the consideration of the Parliament.

It is anticipated that a total sum of Rs. 15 crores would become available to the State Governments as their share of the proceeds of additional revenue from these sources.

If the proposals go through without substantial modifications, this Government should receive about Rs. 125 lakhs as their share.

But the Government of India have not yet agreed with this view and seem to think that this sum should go towards the overall Central assistance due to States as already fixed in the Central Budget. We have made representations and pending a final decision on this question, no credit is being taken in the Budget for this item.

There has been a large expansion in administrative services during the post-war period, necessitated indeed, by the mounting tempo of the development programme.

The Finance Department does scrutinize proposals for additional staff with extreme care, but it is not unlikely that an officer appointed for a special purpose may be continuing in office, even after the intensity of the special job has abated. In the interests of economy and efficient administration, this tendency has to be checked by a periodic overhaul of the structure of each department.

The Government propose to appoint a Special Officer of mature experience and high rank to make an enquiry into the structure and staff requirements of each department both at headquarters and in the districts, and make suitable recommendations.

He will also look into the various items of departmental expenditure and contingencies to effect economies wherever possible.

He will work under the direction of a Committee of the Cabinet which will pass orders on his recommendations relating to a department, as soon as he submits his report on that department.

Some savings are bound to result this way, but it is too early to make a firm estimate now and hence no credit is being taken in this budget.

Finance Commission

The Finance Commission with Mr. K. Santhanam as the Chairman, was constituted by the President of India in June 1956, in pursuance of the provisions of Article 280 of the Constitution. The main task of the Commission is to make recommendations as to:—

(a) the allocation among State Governments of the net proceeds of Central Taxes, i.e., income-tax, Union Excise Duties and other shareable Central Taxes;

(b) modifications in the rates of interest and terms of repayment of loans taken from the Central Government; and

(c) special grants-in-aid to be given to individual State Governments with reference to their requirements for financing the Second Five-Year Plan, etc.

The Finance Commission met the representatives of this Government and held discussions with them in March 1957. Some of the points which we urged before the Commission are the large disparities which now exist between the emoluments of State and Central Government servants doing comparable jobs in identical localities and the necessity for a substantial measure of Central aid to reduce the disparties adequately.

We have pointed out the limitations of the taxable resources exclusively in the State's sphere, and explained our case for a larger share in the divisible Central Taxes in order to meet our growing needs and commitments on the Plan.

We have also pressed for the consolidation of the outstanding loans from the Centre, so as to reduce our debt charges to the level of the average borrowing rate, taking into consideration the funds now available to the Centre by deficit financing.

Let us hope that the Finance Commission will find it possible to accept the general trend of our recommendations and in that hope we may perhaps be justified in leaving the Budget deficit uncovered for the present.

Economic Situation

The Capital Expenditure for the year is now estimated at Rs. 23.49 lakhs, made up of Rs. 11.62 lakhs on Electricity, Rs. 2,93 lakhs on Irrigation, Rs. 3.67 lakhs on Roads and Buildings, Rs. 1,95 lakhs on Industrial Development and other Works, Rs. 85 lakhs on Public Health, Rs. 1,31 lakhs on State Trading Schemes and Rs. 1,16 lakhs on other items.

A provision of Rs. 20 lakhs has been made mainly for the purchase of new buses for the State Transport and improvement of workshops in Madras City and Kanyakumari district.

Under Loans and Advances, the anticipated outlay is Rs. 7,92 lakhs. This sum includes Rs. 2,25 lakhs for advance to cultivators, Rs. 1,57 lakhs for Loans to the Corporation of Madras and other Local Bodies for various purposes including Water-supply and Drainage Schemes, Rs. 1,38 lakhs for Loans for the National Extension Service and Community Development Project areas, Rs. 40 lakhs for short-term loans to the Madras Industrial Investment Corporation, Rs. 30 lakhs to Weavers Co-operative Societies in pursuance of the schemes financed from the Handloom Cess Fund and Rs. 41 lakhs for State-Aid to Industries.

Recoveries during the year are expected to amount to Rs. 4,19 lakhs leaving a net outlay of Rs. 3,73 lakhs.

Ways And Means

Our requirements for Ways and Means during this year will be about Rs. 35.63 lakhs, made up of

	Rs. Lakhs.
Capital Expenditure ..	23.49
Loans and Advances—Net disbursement ..	3,73
Repayment of overdrafts from the Reserve Bank, outstanding at the beginning of the year ..	1.70
Repayment of loans taken from the Central Government and certain autonomous bodies ..	2,88
Revenue deficit to be covered ..	3.33
Balance to be kept in the Reserve Bank of India and Treasuries ..	50
Total ..	35,63

As against these requirements, the resources now in sight amount only to about Rs. 22,55 lakhs as shown below:—

	Rs. Lakhs.
Opening cash balance .	3,34
Net receipts under Deposit, Remittance, etc., transactions ..	2,71
Loans (anticipated) from the Government of India on schemes eligible for Central Assistance ..	16,50
Total ..	22,55

Thus there is an uncovered gap of over Rs. 13 crores on the Ways and Means side. If as a result of the recommendations of the Finance Commission, our revenue resources are augmented as anticipated, this gap will be reduced, but even so, it will be of the order of Rs. 10 crores. Last year, we were able to raise an open market loan of nearly Rs. 14 crores, but extremely stringent conditions obtain in the money market at present.

The Government of India have advised rather strongly, that the State Governments should not float any public loan during the current year.

Taking all circumstances into consideration, the Government have taken the decision that no public loan should be raised this year.

We may be able to augment our resources to some extent by setting up an organization and intensifying the drive for Small Savings, but this would not go very far to cover the Ways and Means gap of this year.

We must necessarily depend on further assistance from the Centre, but there is no assurances yet on that.

Hon'ble Members should therefore note that there is an element of uncertainty regarding the Capital Programme, but for the present, let us proceed ahead in the hope that we can resolve difficulties as and when they arise.

Outlay On Plan

The outlay on the Plan in the budget as now finalised, is about Rs. 32 crores, which sum is the ceiling prescribed by the Planning Commission for the year. Last year, we had programmed more ambitiously but actual accomplishments were less. Final figures are not yet available but the total may be of the order of Rs. 29 crores.

There were short-falls in many departments, partly due to scarcity of cement, steel and foreign exchange, which conditions developed during the course of the year, and also due to our inability to set up in time the organization necessary for implementing some of the new schemes.

Conditions this year are distinctly less favourable. On present indications, the foreign exchange position is likely to get more difficult during the course of the year, since a heavy programme for the import of capital goods is still pending.

As the situation unfolds itself, we may even have to accept the postponement of some of the works of a lower priority involving foreign exchange.

The present upward trend in prices of foodgrains and other consumer goods, is a warning that the further scope for raising resources through deficit financing, is strictly limited. But we are all agreed that the present Plan is the least that we should aim at, towards improving living standards and therefore, we should do our utmost to sustain it.

We should step up agricultural production taking advantage of the further measures of intensive cultivation initiated during the year. Fortunately the south-west monsoon has set in in time and the season promises to be fair, the Mettur Reservoir being already full.

We must maintain an industrial truce, the management and the workers co-operating whole-heartedly and ensure the maximum output on the capital invested. These are sure means within our control to arrest the rise in prices and prevent the further drain of foreign exchange on the import of foodgrains and essential consumer goods.

We must also maximise internal resources for the Plan by a well-integrated scheme of Small Savings.

Our Public borrowings were hitherto restricted to the industrial and commercial sectors and to a limited extent to the more substantial agriculturists. These are the people who usually put their savings in banks and therefore, the money is already in circulation and availbale for productive purposes. The increase in agricultural prices and industrial production, has put in new money in the hands of smaller agriculturists and wage earners in industry.

We have to build up a proper organization to carry the message of the Plan to these people and to induce them to save a small portion of their earnings.

In an expanding economy with a wide dispersal of incomes, this is the one sure way of materially augmenting capital resources. All these would mean further sacrifice and sustained effort, but without them it may not be possible to implement the whole Plan. Let us therefore explain the position to the people frankly and confidently, and I have no doubt that they will rise to the occasion.

Before I conclude, let me place on record my grateful appreciation of the able assistance rendered to me and the Government by the Finance Secretary and the members of his staff, during the year. Sri R. Rangachari, who has been in immediate charge of budget compilation for the past ten years, is leaving the Government service on superannuation and let us wish him long life and happiness in his retirement.

With these remarks, Sir, I commend to the acceptance of the House the budget proposals for 1957-58.

EXPENDITURE UNDER 2nd PLAN

Main Heads of Development. (1)		Total provision. (2) Rs. LAKHS.	Estimated expenditure in 1956-57. (3) Rs. LAKHS.	Present Budget Estimate in 1957-58. (4) Rs. LAKHS.
I. Agriculture and Community Development.				
Agricultural Production	..	2,49	26	99
Minor Irrigation Projects	..	3,31	50	55
Land Development	..	1,27	31	42
Animal Husbandry	..	2,09	12	28
Dairying and Milk Supply	..	1,41	10	28
Forests	..	1,34	16	29
Fisheries	..	85	8	14
Co-operation	..	2,05	9	22
Community Projects	..	13,48	2,53	2,45
Total I		28,29	4,15	5,62
II. Irrigation and Power —				
Irrigation	..	11,80	3,44	2,34
Power Projects	..	52,67	13,16	11,63
Total II	..	64,47	16,60	13,97
III. Industry —				
Medium Industries	..	76	25	15
Village Industries	..	2,19	2	29
Khadi Development	..	1,07	18	36
Handloom	..	3,86	2,05	1,46
Handicrafts	..	56	1	11
Industrial Estates	..	95	4	34
Small Scale Industries	..	3,33	50	78
Sericulture	..	2		1
Coir	..	..	..	..
General Schemes	..	21	1	2
Total III	..	12,95	3,06	3,52
IV. Transport and Communication — Roads	..	6,37	44	1,02
V. Education —				
Education	..	9,99	1,18	2,36
Technical Education	..	1,21	11	23
Total, V	..	11,20	1,29	2,59
VI. Health — Medical	..	13,88	1,10	3,02
VII. Housing	..	2,79	71	90
VIII. Welfare of Backward Classes	..	4,98	1,37	81
IX. Labour and Labour Welfare	..	58	1	5
X. Social and Women's Welfare	..	74	1	2
XI. Miscellaneous	..	2,06	13	27
Add—(i) Surplus provision for which schemes have yet to be worked out.	..	5	..	..
(ii) Allotment from Kerala Plan for the areas transferred to Madras.	..	3,90	..	..
Grand Total	..	152,26	28,87	31,79

Implementation Of Second Plan Forest Schemes

Dr. B. R. Rao's Call For People's Cooperation

COIMBATORE, June 29.

Dr. B. Ramakrishna Rao, Governor of Kerala, said here today that the successful implementation of the Rs 27 crore forest schemes envisaged in the Second Five-Year Plan depended on the people's realisation of the importance of preservation, production and utilisation of the forest wealth in the country.

The Governor, who was delivering the convocation address of the Southern Forest Rangers College here, said that with the expansion of knowledge, man had been encroaching upon the domain of the animal and vegetable kingdom without regard to the fact that they were the perennial source of his own wealth and comfort.

Many species of animals like the lion and the rhinoceros were getting extinct except perhaps in Africa. There had also been such over-utilisation of forest resources and such indiscriminate denudation of forests that it had created an alarming problem even from the point of view of the national economy.

"Being an agricultural country, both our forests and animals are a valuable wealth and constitute a part and parcel of our national life. It is hardly possible for us to ignore this for any length of time."

Dr. Rao said that according to recent figures forests in India covered about 22 per cent of the total geographical area—about 2.80 lakh square miles. He compared the per capita area of forest and consumption of wood and pulp product of India with those in other countries and said "it will be seen that not only is the forest area in our country proportionately smaller but it is also unevenly distributed and the productivity substantially below the average yield of forests in western countries."

Encroachments

With the increase in the population, many potential forests had been utilised for cultivation with the genuine desire of improving the food situation in the country, Dr Rao said. But he deplored the tendency among the landless people to encroach upon the forests of the country. This had created a problem for all States, including Kerala where it had assumed topical importance, he added.

Dr. Rao suggested the establishment of herbaria in all States for systematic rearing of medicinal plants. It should be a joint effort of the Departments of Medicine, Health and Forest.

Soil Conservation

Regarding conservation of soil, he said the work would be continued in the Second Plan at a cost of Rs. 20 crores and was expected to cover 31 lakh acres of land. He expressed the hope that the Central Soil Conservation Board and the Central Board of Forestry directing the development operations would receive adequate co-operation of the people of the country.

As regards selection of students to the forestry colleges, the Governor said that this must not entirely depend on the academic or other qualifications. Some kind of a psychological test should also form part of the standards laid down for the selection of students.

Unless a student showed particular aptitude and liking for this kind of strenuous life and for the particular objects of study, the training afforded to him in this institution would not be of much avail, he added.

Mr. K. L. Aggarwal, President, Forest Research Institute and Colleges, Dehra Dun, in his welcome address, said that the training imparted at the Forest Colleges in recent years had been progressively intensified and attempts had been made to streamline the methods employed.

He referred to the opening of a research centre dealing with silviculture (including soil science), entomology and botany and mycology at Coimbatore. The plan was, he said, to construct buildings to the tune of about Rs. 5,30,000 during the Second Five-Year Plan period to have research branches on silviculture (including soil science), entomology, botany and mycology. These research branches would be under the administrative charge of the senior-most officer of the college and would be part of the Forest Research Institute at Dehra Dun.

Mr. Aggarwal said that with considerable expansion in demands for training in forestry, the classes were being doubled with effect from July 1 this year of difficulties of accommodation and staff. The vital need of the college was adequate and suitable instructor-strength and for this, the ranks of the State Forest Departments had to be combed, he added.

Earlier on arrival at the Forest College, the Governor was given a guard of honour by the students. Mr P.D. Stracey, Director of Forest Education, Dehra Dun, read the annual report. Dr. D. A. Ramarao, Principal of the College, announced the result of the 1956-57 course. Mr R. Badhran, Deputy Inspector-General of Forests, proposed a vote of thanks.

Campbell Walker prize for Forestry—J.V. Aras (Bombay); Brazir prize for the best outdoor ranger R. Pratap Bahadur (Andhra Pradesh); Lodge prize for Forest Engineering D.S. Doshi (Bombay), College Silver Medals for Botany and for Forest Utilisation both to S. Chinnamani (Central Soil Conservation Board); College Silver Medal for Range Administration J. Mohanty (Orissa).

For the Regional Foresters Course, the prizes went to A. Krishnan (Madras) for silviculture; O.K. Askaran (Kerala) for forest utilization; C.E. Rappai (Kerala) for Botany, K.C. Subbiah (Mysore) for Forest Engineering; V.A. Kunchumeeran (Kerala) for Prastical Forestry; and P. Laxminarayana Reddy for Plantation.

The Pentland Shield for the best all-round sportsman was awarded to T. Sebamalai (Ceylon); the Mannarghat Mocpil Nair Cup for marathon race to M.K. Poonacha (Andamans); Amir Muhamad Khan Rolling cup for marathon race (forester division) to M.K. Poonacha; Parvathi Kurup's Rolling Shield for the healthiest student to J. Baskaran (Kerala); Mohad Khan Rolling Cup for the best student from Mysore and Madras to H.P. Viswanathan (Mysore).

BODI CARDAMOM AUCTIONS

BODINAYAKANUR, June 28.

At today's auction held by the South Indian Cardmom Planters' Association, the following rates per pound were recorded: Shipment Rs. 8-2 to 8-6; Average per lb. 8-4-6; Gre Rs. 9-0-3 to 9-7; Average per lb. 9-5; General average per lb. 8-12-9; Total pounds sold 928.

OILS & SEEDS

Noteworthy Gains In Oilseeds

(From Our Bombay Office)
BOMBAY, June 29.

Oilseed futures in Bombay staged a sizable recovery today due to substantial short covering. Groundnuts led the rally due to persistently encouraging spot advices.

Groundnut August contract, which had been marked down from Rs. 173.87 to 171 on Friday, recovered sharply to 174.75 and finished at 174.50.

It is said that bull interests will delay the opening of trading in new crop contract until about the end of second week of July.

Castor futures also firmed up on heavy short covering. Sentiment was helped by export house buying in castor oil. America is said to be interested in Indian oil at around 17.50 cents, commercial.

Linseed and linseed oil responded to reports that Australia was likely to take a fairly large quantity of linseed oil from India.

SATURDAY'S PRICE RANGE

The opening, highest, lowest and closing prices were:
Castor Sept. 160.50; 163; 160; 163.
Linseed Sept. 28.62; 28.94; 28.37; 28.94.
G'nut Aug: 172.50; 174.75; 174.75; 172.12; 174.50.
Cottonseed Sept. 107; 107.75; 106.50; 107.50.

Following were the spot rates (in Rupees) late in the evening:
Groundnuts (per cwt): Quality Ready 37-8; Bold Ready 36-8; Bold June-July 34-10; Bold Aug-Sept. 35.
Groundnut Oil: Ex-mill Ready (per Bengal md.): 62-8; Up-country (per quarter) 20-5; June 20-5; July 20.5; Aug. 20.4.
Castorseeds (per cwt.): Small Ready 31-12; Bold Ready 30-4.
Castor Oil (per quarter): Commercial 18-2; BSS 19-6.
Linseeds (per cwt): Bold Ready 27-12; Bold June-July 28-0; Bold Aug-Sept. 28-6.
Linseed Oil (per quarter): Ready 14-8; June 14-8; July 14-6.
Kardiseeds (per cwt): Ready 20-12; June-July 20-12; Aug-Sept. 21-4.
Nigerseeds (per cwt): Ready 27-12; June-July 27-12; Aug-Sept. 28-4.

MADRAS

MADRAS, June 29.

GROUNDNUT KERNELS (per candy of 531 lbs.) Superior Rs. 170; Bold Rs. 166.

GROUNDNUT OIL (per candy of 500 lbs.) Loose ex-Madras Godown Expeller 3% F.F.A. Ready Rs. 334; June Rs. 334; July Rs. 325.50; August Rs. 334.50.

CASTOR OIL (per candy of 500 lbs.) Loose ex-Madras Godown Tirupathur Rs. 350; Salem 'Lotus Swan' (37½ lbs.) Rs. 28.

COCONUT OIL (per tin of 37½ lbs.) Quilon MS Rs. 31; Raja Rs. 30.25; Arrows Rs. 30 (Sales tax extra).

Today's closing prices on the Madras Oilseeds Exchange were: Groundnut oil July 326; Aug. 336; Ready 334.

BULLION

Bullion Rates Steadier

(From Our Bombay Office)
BOMBAY, June 29.

In slow dealings bullion prices in Bombay on Saturday fluctuated narrowly with a slightly steadier tendency. Gold was particularly dull. Improved tendency was due more to scarcity of offerings than to any important buying. Tightening of check on smuggling activity continues to help sentiment in gold. Spot houses, however, did not evince much interest. Silver was steadier on short covering. Sellers were reserved. Calcutta was mentioned as a buyer of silver in Bombay.

SATURDAY'S PRICE RANGE

The opening, highest, lowest, and closing prices were:

ASHARH SETTLEMENT
Silver Rs. 180-1, 180-9, 179-15, 180-7.
Gold Rs. 105-7, 105-9, 105-5, 105-6-6.

SHRAVAN SETTLEMENT
Silver Rs. 178-13, 179-3, 178-11, 179.
Gold Rs. 104-15, 105, 104-13, 104-14.

The offtake and arrivals of gold were reported around 3,000 tolas and 5,200 tolas respectively.

The closing prices of spot bullion were: Silver (.996 exact touch) Rs. 180-11; below .996 180-7; .916 179-3; Gold Bullion 106-3-6; Mysore 106-8-6; Sovereign 70-4.

MADRAS, June 29: Sovereign (each) Retail Price Rs. 70-12; Petla Gold Ready (per tola) 107-14; Moosa Gold Ready (per tola) 106-4; Bar Silver Ready (100 tolas) 183-8.

CALCUTTA, June 29: Closing quotations: Silver Ready Rs. 178.37; Forward 177.06; Tesi 178.87; Mysore Gold 107.25; Sovereign 71.50.

COTTON

Futures Advance Further

(From Our Bombay Office)
BOMBAY, June 29.

Cotton futures in Bombay made further headway today on considerable bull support and scattered short-covering. Intermittent profit-taking failed to produce any unsettling effect on the market.

With even inferior quality cottons difficult to have at the ceiling, the strength in Cotton futures is not the least surprising.

SATURDAY'S PRICE RANGE

The opening, highest, lowest and closing prices were:
Jarilla March 695-8; 702; 695-4, 702.

The spot market continued dull. Mills are said to be fairly well-stocked and they are inclined to watch the weather before taking new decisions. Prices were mostly unchanged at around their previous levels.

NEW YORK COTTON

NEW YORK, June 28.

Friday's closings: July 35.50; October 35.28; December 35.20; March 35.23; May 35.26; July 34.93; October 34.13; December 34.15|17 bid|asked; Middling spot 35.50. October: Highest: 35.34 at 15|20. Lowest: 35.09 at 10|57.

MADRAS SUGAR

MADRAS, June 29.

Sugar: Anakapalli (2 cwts.) Rs. 108-10 (including excise tax and sales tax).

NEW DELHI: The Reserve Bank of India has served a notice on the Bengani Bank Ltd., Ladnun, cancelling its licence to carry on banking business in India.—UPI.

BOMBAY STOCK EXCHANGE

Dalal St. Irregular In Kerb Dealings

BOMBAY, June 29.

THE Bombay Stock Exchange was closed today because of the end-account. Kerb dealings indicated an erratic tendency.

The volume of business was fairly large for an end-account session. Corrective profit-taking depressed prices, but the fall was checked by short-covering.

Activity was mostly in Steels, Bombay-Burmah and Scindia. Bombay-Burmah were affected by reports of a rise in agricultural income-tax by Madras.

Following were the fluctuations in kerb dealings (in Rupees):—
Bombay-Burmah 604; 619; 593; 603.
Tata Steel 177.25; 177.75; 175.25; 176.75.
Indian Iron 20.80; 20.95; 20.55; 20.65.
Bombay Dyeing 574; 578; 571; 573.50.
Century 441; 446; 436; 441.
Kohinoor 291; 293; 291.
Tata Loco. 154; 157.50; 154 50.
National Rayon 234; 238; 236.

Kerb Rates At 10 p.m.

(From Our Bombay Office)
BOMBAY, June 29.

Following were the kerb quotations (in rupees) in Bombay at 10 p.m. on Saturday:

Tata Steel Ordinary 176, buyers (highest 177.75, lowest 175.50); Indian Iron 20.60 buyers (highest 20.95, lowest 20.75); Bombay Dyeing 571/572 (highest 580); Kohinoor 292/293; Century 443/444; National Rayon 236/237; Bombay-Burmah 600/601 (highest 619, lowest 594); Scindia 20.15/20.20; Tata Locomotive 156/157.

Silver Asharh 180:75; Gold Asharh 105.50.

Cotton: Jarilla March 702.

Castorseeds: September 162; Linseeds: June-July 28.12, August-Sept. 28.50 and September 28.75. Groundnuts: August 174; June-July 34.87 and August-Sept. 34.94. Groundnut Oil: July 20.25, August 20.12 and September 19.94.

COMMODITY PRICES IN BOMBAY

(From Our Bombay Office)
BOMBAY, June 29.

Saturday's Commodity prices (in Rupees) were:

METALS (per cwt.): Copper Ready 168.25; June 168.25; July 166. Zinc Ready 75; June 72; July 64. Lead Ready 80; June 80; July 80. Tin (per quarter) Ready 129; June 129.50; July 130.25.

BLACK PEPPER (per candy): Ready 581; Asharh 559; Shravan 569; Bhadrava 579.

SPICES (per Bengal md.): Cinnamon Ready 106; Cloves Ready 372 new crop; Camphor (per lb.) Ready 3-6.

MERCURY (per flask of 75 lb.): Ready 1,210; Shravan 1,200|1,230.

COPRA (per candy of 7 Bengal mds.): Rajapur 500; Alleppey 385; Milling 330.

GINGER (per Bengal md.): Ready Cochin 45; Calicut 42.

ART SILK YARN
(per pound)

120 D Japan Ready	4	3	6
150 D Japan Ready	4	3	3
120 D Italy Ready	4	2	0
150 D Italy Ready	3	13	6

120 DULL CONE SNIA
(per case of 200 lb.)

The opening, highest, lowest and closing prices were:

June	806	809	806	808
August	819	827	819	826

STAPLE FIBRE YARN (40 x 2)
(per bale of 200 lb.)

June	592	592	590	590
August	596	598	596	596

SUGAR (per 2-3|4 mds.): Indian 104 to 111.

NATIONAL BANK OF INDIA LIMITED
(Incorporated in the United Kingdom The Liability of the Members is limited)
OPEN
SAVINGS BANK ACCOUNTS
IN THEIR BRANCHES AT
CALCUTTA
CALCUTTA, CHOWRINGHEE
BOMBAY
MADRAS
MADRAS, MOUNT ROAD
BANGALORE
AMRITSAR
KANPUR (CAWNPORE)
DELHI
NEW DELHI
TUTICORIN
COCHIN
Withdrawals By Cheque
Madras and Mount Road Branches
Present Rate of Interest 2½% Per Annum.
Rates at other Branches obtainable on Direct Application.
Main Office: 3, North Beach Road.
Sub-Office: 158, Mount Road.
E. S. DANKS.
Manager.

HANDLOOM FABRICS
ALL INDIA HANDLOOM BOARD
SHAHIBAGH HOUSE, WITTET ROAD, BOMBAY.
DA-57/67